ORIGINAL

FILED
U.S. DISTRICT COURT
EASTERN DISTRICT OF TEXAS
JUL 12 2002
DAVID J. MALAND, CLERK
BY DEPUTY

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
SHERMAN DIVISION

ALCATEL USA, INC.,

Plaintiff,

v.

CISCO SYSTEMS, INC.,

Defendant.

AND RELATED COUNTERCLAIM.

CIVIL ACTION NO. 4:00CV199

CISCO SYSTEMS, INC.'S REQUESTED JURY INSTRUCTIONS AND INTERROGATORIES

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ATTORNEYS FOR CISCO SYSTEMS, INC.

July 12, 2002

Defendant Cisco Systems, Inc. ("Cisco") respectfully requests that the Court, in its charge to the jury give the following jury instructions and interrogatories.

DATED: July 12, 2002

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ATTORNEYS FOR DEFENDANT AND
COUNTERCLAIMANT CISCO SYSTEMS, INC.

SECTION I

INSTRUCTIONS BEFORE THE EVIDENCE IS TAKEN

CISCO SYSTEMS, INC.'S PROPOSED JURY INSTRUCTION NO. 1.
(Preliminary Instruction – Nature of Case)

MEMBERS OF THE JURY:

You have now been sworn as the jury to try this case. As the jury you will decide the disputed questions of fact.

As the Judge, I will decide all questions of law and procedure. From time to time during the trial and at the end of the trial, I will instruct you on the rules of law that you must follow in making your decision.

Soon, the lawyers for each of the parties will make what is called an opening statement. Opening statements are intended to assist you in understanding the evidence. What the lawyers say is not evidence.

After the opening statements, the plaintiff will call witnesses and present evidence. Then, the defendant will have an opportunity to call witnesses and present evidence. After the parties' main case is completed, the plaintiff may be permitted to present rebuttal evidence. After all the evidence is completed, the lawyers will again address you to make final arguments. Then I will instruct you on the applicable law. You will then retire to deliberate on a verdict.

Keep an open mind during the trial. Do not decide any fact until you have heard all of the evidence, the closing arguments, and my instructions.

Pay close attention to the testimony and evidence.

If you would like to take notes during the trial, you may do so. If you do take notes, be careful not to get so involved in note taking that you become distracted and miss part of the testimony. Your notes are to be used only as aids to your memory, and if your memory should later be different from your notes, you should rely on your memory and not on your notes. If you do not take notes, rely on your own independent memory of the testimony. Do not be unduly influenced by the notes of other jurors. A juror's notes are not entitled to any greater weight than the-recollection of each juror concerning the testimony.

Even though the court reporter is making stenographic notes of everything that is said, a typewritten copy of the testimony will not be available for your use during deliberations. On the other hand, any exhibits may be available to you during your deliberations.

Until this trial is over, do not discuss this case with anyone and do not permit anyone to discuss this case in your presence. Do not discuss the case even with the other jurors until all of the jurors are in the jury room actually deliberating at the end of the case. If anyone should attempt to discuss this case or to approach you concerning the case, you should inform the Court immediately. Hold yourself completely apart from the people involved in the case – the parties, the witnesses, the attorneys and persons associated with them. It is important not only that you be fair and impartial but that you also appear to be fair and impartial.

Do not make any independent investigation of any fact or matter in this case. You are to be guided solely by what you see and hear in this trial. Do not learn anything about the case from any other source. In particular, do not read any newspaper account of this trial or listen to any radio or television newscast concerning it.

During the trial, it may be necessary for me to confer with the lawyers out of your hearing or to conduct a part of the trial out of your presence. I will handle these matters as briefly and as conveniently for you as I can, but you should remember that they are a necessary part of any trial.

It is now time for the opening statements.[1]

GIVEN _____

REFUSED _____

GIVEN AS MODIFIED _____

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UNITED STATES DISTRICT JUDGE

[1] SOURCE: Fifth Circuit Pattern Jury Instructions: Civil, § 1.1.

CISCO SYSTEMS, INC.'S PROPOSED JURY INSTRUCTION NO. 2.
(Preliminary Instruction – Stipulations of Fact)

The parties have agreed, or stipulated, that the following facts are true and undisputed:

[INSERT ANY STIPULATED FACTS FROM PRETRIAL ORDER]

This means that both sides agree that this is an established fact. You must therefore treat this fact as having been proved.[2]

GIVEN _____

REFUSED _____

GIVEN AS MODIFIED _____

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UNITED STATES DISTRICT JUDGE

[2] SOURCE: Fifth Circuit Pattern Jury Instructions: Civil, § 2.3 (modified).

CISCO SYSTEMS, INC.'S PROPOSED JURY INSTRUCTION NO. 3.
(Preliminary Instruction – Judicial Notice)

Although no evidence has been presented, I instruct you that you must accept the following as proved: **[INSERT JUDICIAL ADMISSIONS ACCEPTED BY THE COURT]**[3]

GIVEN _____

REFUSED _____

GIVEN AS MODIFIED _____

_____
UNITED STATES DISTRICT JUDGE

[3] SOURCE: Fifth Circuit Pattern Jury Instructions: Civil, § 2.4 (modified).

CISCO SYSTEMS, INC.'S PROPOSED JURY INSTRUCTION NO. 4.
(Preliminary Instruction – Judicial Notice)

During this trial, certain testimony and evidence will be presented to you regarding documents that are believed to exist, but that a party failed to produce during discovery. Discovery is a pre-trial device that is used to obtain facts and information about the case from another party in order to assist the first party's preparation for trial. Under the Federal Rules of Civil Procedure, a party faced with a discovery request has a duty to produce all documents that are responsive to that request. If a party withholds responsive documents, for whatever reason, the jury is entitled to make an adverse evidentiary inference. An adverse inference is a logical and reasonable conclusion that, were the withheld evidence available, it would be unfavorable to the withholding party's position.[4]

GIVEN _____

REFUSED _____

GIVEN AS MODIFIED _____

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UNITED STATES DISTRICT JUDGE

[4] Requested in Cisco's Motions *in Limine*.

CISCO SYSTEMS, INC.'S PROPOSED JURY INSTRUCTION NO. 5.
(Preliminary Instruction – Burdens of Proof)

In this case, Alcatel must prove every essential part of its claim by a preponderance of the evidence. A preponderance of the evidence simply means evidence that persuades you that the plaintiff's claim is more likely true than not true.

In deciding whether any fact has been proven by a preponderance of the evidence, you may, unless otherwise instructed, consider the testimony of all witnesses, regardless of who may have called them, and all exhibits received in evidence, regardless of who may have produced them. If the proof fails to establish any essential part of the plaintiff's claim by a preponderance of the evidence, you should find for the defendant as to that claim.

In some instances, the burden of proof will be higher – clear and convincing evidence. Clear and convincing evidence is evidence that produces in your mind a firm belief or conviction as to the matter at issue. This involves a greater degree of persuasion than is necessary to meet the preponderance of the evidence standard; however, proof to an absolute certainty is not required.[5]

GIVEN _____

REFUSED _____

GIVEN AS MODIFIED _____

_____
UNITED STATES DISTRICT JUDGE

[5] SOURCE: Fifth Circuit Pattern Jury Instructions: Civil, §§ 2.12, 2.17 (modified).

CISCO SYSTEMS, INC.'S PROPOSED JURY INSTRUCTION NO. 6.
(Preliminary Instruction – Consideration of the Evidence)

You must consider only the evidence in this case. However, you may draw such reasonable inferences from the testimony and exhibits as you feel are justified in the light of common experience. You may make deductions and reach conclusions that reason and common sense lead you to make from the testimony and evidence.

The testimony of a single witness may be sufficient to prove any fact, even if a greater number of witnesses may have testified to the contrary, if after considering all the other evidence you believe that single witness.

There are two types of evidence you may consider. One is direct evidence--such as testimony of an eyewitness. The other is indirect or circumstantial evidence--the proof of circumstances that tend to prove or disprove the existence or nonexistence of certain other facts. The law makes no distinction between direct and circumstantial evidence, but simply requires that you find the facts from a preponderance of all the evidence, both direct and circumstantial.[6]

GIVEN _____

REFUSED _____

GIVEN AS MODIFIED _____

_____
UNITED STATES DISTRICT JUDGE

[6] SOURCE: Fifth Circuit Pattern Jury Instructions: Civil, §§ 2.15.

CISCO SYSTEMS, INC.'S PROPOSED JURY INSTRUCTION NO. 7.
(Preliminary Instruction – Deposition Testimony)

Certain testimony will be presented to you through a deposition. A deposition is the sworn, recorded answers to questions asked a witness in advance of the trial. Under some circumstances, if a witness cannot be present to testify from the witness stand, that witness' testimony may be presented, under oath, in the form of a deposition. Some time before this trial, attorneys representing the parties in this case questioned this witness under oath. A court reporter was present and recorded the testimony. The questions and answers will be read (shown) to you today. This deposition testimony is entitled to the same consideration and weighed and otherwise considered by you insofar as possible in the same way as if the witness had been present and had testified from the witness stand in court.[7]

GIVEN _____

REFUSED _____

GIVEN AS MODIFIED _____

_____
UNITED STATES DISTRICT JUDGE

[7] SOURCE: Fifth Circuit Pattern Jury Instructions: Civil, §§ 2.15.

CISCO SYSTEMS, INC.'S PROPOSED JURY INSTRUCTION NO. 8.
(Preliminary Instruction –Expert Witnesses)

When knowledge of technical subject matter may be helpful to the jury, a person who has special training or experience in that technical field--he is called an expert witness--is permitted to state his opinion on those technical matters. However, you are not required to accept that opinion. As with any other witness, it is up to you to decide whether to rely upon it.[8]

GIVEN _____

REFUSED _____

GIVEN AS MODIFIED _____

_____
UNITED STATES DISTRICT JUDGE

[8] SOURCE: Fifth Circuit Pattern Jury Instructions: Civil, §§ 2.16.

SECTION II

INSTRUCTIONS ABOUT THE EVIDENCE

CISCO SYSTEMS, INC.'S PROPOSED JURY INSTRUCTION NO. 9.
(General Instructions)

MEMBERS OF THE JURY:

You have heard the evidence in this case. I will now instruct you on the law that you must apply. It is your duty to follow the law as I give it to you. On the other hand, you, the jury, are the judges of the facts. Do not consider any statement that I have made in the course of trial or make in these instructions as an indication that I have any opinion about the facts of this case.

You have heard the closing arguments of the attorneys. Statements and arguments of the attorneys are not evidence and are not instructions on the law. They are intended only to assist the jury in understanding the evidence and the parties' contentions.

Answer each question from the facts as you find them. Do not decide who you think should win and then answer the questions accordingly. Your answers and your verdict must be unanimous.

Except when I instruct you otherwise, you must answer all questions from a preponderance of the evidence. By this is meant the greater weight and degree of credible evidence before you. In other words, a preponderance of the evidence just means the amount of evidence that persuades you that a claim is more likely so than not so. In determining whether any fact has been proved by a preponderance of the evidence in the case, you may, unless otherwise instructed, consider the testimony of all witnesses, regardless of who may have called them, and all exhibits received in evidence, regardless of who may have produced them.

In determining the weight to give to the testimony of a witness, you should ask yourself whether there was evidence tending to prove that the witness testified falsely concerning some important fact, or whether there was evidence that at some other time the witness said or did something, or failed to say or do something, that was different from the testimony the witness gave before you during the trial.

You should keep in mind, of course, that a simple mistake by a witness does not necessarily mean that the witness was not telling the truth as he or she remembers it, because people may forget some things or remember other things inaccurately. So, if a witness has made a misstatement, you need to consider whether that misstatement was an intentional falsehood or simply an innocent lapse of memory; and the significance of that may depend on whether it has to do with an important fact or with only an unimportant detail.

While you should consider only the evidence in this case, you are permitted to draw such reasonable inferences from the testimony and exhibits as you feel are justified in the light of common experience. In other words, you may make deductions and reach conclusions that reason and common sense lead you to draw from the facts that have been established by the testimony and evidence in the case.

The testimony of a single witness may be sufficient to prove any fact, even if a greater number of witnesses may have testified to the contrary, if after considering all the other evidence you believe that single witness.

There are two types of evidence that you may consider in properly finding the truth as to the facts in the case. One is direct evidence – such as testimony of an eyewitness. The other is indirect or circumstantial evidence – the proof of a chain of circumstances that indicates the existence or nonexistence of certain other facts. As a general rule, the law makes no distinction between direct and circumstantial evidence, but simply requires that you find the facts from a preponderance of all the evidence, both direct and circumstantial.

When knowledge of technical subject matter may be helpful to the jury, a person who has special training or experience in that technical field – he or she is called an expert witness – is permitted to state his or her opinion on those technical matters. However, you are not required to accept that opinion. As with any other witness, it is up to you to decide whether to rely upon it.

In deciding whether to accept or rely upon the opinion of an expert witness, you may consider any bias of the witness, including any bias you may infer from evidence that the expert

witness has been or will be paid for reviewing the case and testifying, or from evidence that he testifies regularly as an expert witness and his income from such testimony represents a significant portion of his income.

Any notes that you have taken during this trial are only aids to memory. If your memory should differ from your notes, then you should rely on your memory and not on the notes. The notes are not evidence. A juror who has not taken notes should rely on his or her independent recollection of the evidence and should not be unduly influenced by the notes of other jurors. Notes are not entitled to any greater weight than the recollection or impression of each juror about the testimony.[9]

GIVEN _____

REFUSED _____

GIVEN AS MODIFIED _____

_____
UNITED STATES DISTRICT JUDGE

[9] SOURCE: Fifth Circuit Pattern Jury Instructions: Civil, § 3.1 (modified).

SECTION III

MARIAN TRNKUS'S EMPLOYMENT STATUS

CISCO SYSTEMS, INC.'S PROPOSED JURY INSTRUCTION NO. 10.
(Independent Contractor v. Employee)

This case involves a question of ownership of certain software programs at issue developed by an individual, Marian Trnkus, during the time that he was performing work for Alcatel. The issue for you to decide is whether, during the time in question, Mr. Trnkus was an employee of Alcatel or whether he was an independent contractor.

There are a number of factors you must take into consideration in making that determination. No one factor is controlling. Your determination should be made from all of the evidence in this case.

You should consider the following factors in determining whether Mr. Trnkus was an independent contractor or an employee:

1) Whether Alcatel had the right to control the means and manner by which Mr. Trnkus created the software programs at issue. The more freedom Mr. Trnkus had in creating the software programs at issue, the more likely he was an independent contractor rather than an employee;

2) The skills required to create the software programs at issue. The higher the skills required, the more likely Mr. Trnkus was an independent contractor rather than an employee;

3) The source of the tools or instruments used to create the software programs at issue. The more Mr. Trnkus had to use his own tools or instruments, the more likely he was an independent contractor rather than an employee;

4) The location where the software programs were created at issue. The less Mr. Trnkus worked at Alcatel's site, the more likely he was an independent contractor rather than an employee;

5) The applicability of employee benefits, like a benefit plan or insurance.

The less Mr. Trnkus was covered by Alcatel's benefit plans, the more likely he was an independent contractor rather than an employee;

6) Alcatel's tax treatment of Mr. Trnkus. If Alcatel reported payments to Mr. Trnkus to the tax authorities with no tax withholding or by use of a Form 1099, the more likely Mr. Trnkus was an independent contractor rather than an employee;

7) Whether Mr. Trnkus had discretion over when and how long to work. The more Mr. Trnkus could control his own work times, the more likely he was an independent contractor rather than an employee;

8) Whether Alcatel had the right to assign additional projects to Mr. Trnkus. The more Mr. Trnkus could refuse to accept additional projects unless additional fees were paid, the more likely he was an independent contractor rather than an employee;

9) The duration of the relationship between Mr. Trnkus and Alcatel. The more Mr. Trnkus worked on a project basis for Alcatel, the more likely he was an independent contractor rather than an employee;

10) The method of payment. The more Mr. Trnkus worked on a commission or one-time fee basis, the more likely he was an independent contractor rather than an employee.

11) Whether Mr. Trnkus hired or could have hired and paid his own assistants. The more he hired and paid for his own assistants, the more likely he was an independent contractor rather than an employee;

12) Whether Alcatel is a business. If Alcatel is not a business, the more likely Mr. Trnkus was an independent contractor rather than an employee;

13) Whether the work Mr. Trnkus performed was part of Alcatel's regular business. If Mr. Trnkus provided special services outside of Alcatel's

regular business, the more likely he was an independent contractor rather than an employee.[10]

GIVEN _____

REFUSED _____

GIVEN AS MODIFIED _____

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UNITED STATES DISTRICT JUDGE

[10] SOURCE: Ninth Circuit Model Civil Jury Instructions, § 20.9, Supplementary Instruction for Determining Employment Status; Community for Creative Non-Violence v. Reid, 490 U.S. 730, 739-40 (1989).

CISCO SYSTEMS, INC.'S PROPOSED JURY INTERROGATORY NO. 1

Interrogatory No. 1

Has Alcatel proven by a preponderance of the evidence that Marian Trnkus was an employee and not an independent contractor during the time that Mr. Trnkus developed the software programs at issue?

ANSWER TO INTERROGATORY NO. 1

YES ☐

NO ☐

GIVEN _____

REFUSED _____

GIVEN AS MODIFIED _____

_____
UNITED STATES DISTRICT JUDGE

SECTION IV

ALCATEL'S COPYRIGHT INFRINGEMENT CLAIM

CISCO SYSTEMS, INC.'S PROPOSED JURY INSTRUCTION NO. 11.
(Definition of Copyright)

This case also involves a dispute relating to copyrights. Before summarizing the positions of the parties and the legal issues involved in this dispute, let me take a moment to explain what a copyright is and how one is obtained.

Copyright is the exclusive right to copy. With certain exceptions, the owner of a copyright has the right to exclude any other person from reproducing, preparing derivative works, distributing, displaying, or using the work covered by copyright for a specific period of time.

The works at issue, Whip, Whipsource, Makedep and Makefiles, involved in this trial are computer programs. You are instructed that a copyright may be obtained in software programs. Copyright protection for an original work of authorship, however, does not extend to any idea, procedure, process, system, method of operation, concept, principle or discovery, regardless of the form in which it is described, explained, illustrated, or embodied.

The copyrighted work must be original. An original work that closely resembles other works can be copyrighted so long as the similarity between the two works is not the result of copying.[11]

GIVEN _____

REFUSED _____

GIVEN AS MODIFIED _____

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UNITED STATES DISTRICT JUDGE

[11] SOURCE: Fifth Circuit Pattern Jury Instructions: Civil 9.1 (1999) (modified).

CISCO SYSTEMS, INC.'S PROPOSED JURY INSTRUCTION NO. 12.
(Exclusive Rights of Copyright Owner)

The owner of a copyright has the exclusive right to, and to authorize others to, reproduce the copyrighted work in copies, to prepare derivative works based upon the copyrighted work, and to distribute copies of the copyrighted work to the public.

As such, if you find that someone other than Alcatel owns the copyrights in the subject works, you must also find that Alcatel cannot claim trade secret protection in those works.[12]

GIVEN _____

REFUSED _____

GIVEN AS MODIFIED _____

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UNITED STATES DISTRICT JUDGE

[12] SOURCE: 17 U.S.C. § 106; Avtec Systems, Inc. v. Peiffer, 21 F.3d 568, 575 (4th Cir. 1994).

CISCO SYSTEMS, INC.'S PROPOSED JURY INSTRUCTION NO. 13.
(Summary of Contentions)

Alcatel claims that Cisco infringed copyrights that Alcatel owns. Cisco claims that Alcatel is not the owner of the copyrights at issue and that Cisco did not infringe those copyrights.

To be successful in its copyright claims, Alcatel must establish by a preponderance of the evidence:

1. That it is the owner of valid copyright in software programs Whip, Whipsource, Makedep and Makefiles by proving that the work is original and that Alcatel is the author of the work or received a transfer of the copyright; and

2. That the defendant copied original elements of the copyrighted work.

Preponderance of the evidence means that you must be persuaded by the evidence that it is more probably true than not true that the copyrighted work was infringed.[13]

GIVEN _____

REFUSED _____

GIVEN AS MODIFIED _____

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UNITED STATES DISTRICT JUDGE

[13] SOURCE: Fifth Circuit Pattern Jury Instructions: Civil 9.1 (1999) (modified).

CISCO SYSTEMS, INC.'S PROPOSED JURY INSTRUCTION NO. 14.
(Originality)

Computer programs can be protected by the copyright law provided they meet the requirements of copyright law. Only that part of the works comprised of original works of authorship fixed in any tangible medium of expression from which they can be perceived, reproduced, or otherwise communicated, either directly or with the aid of a machine or device, are protected by the Copyright Act. Copyright protection does not extend to any work that is not original to the author.[14]

GIVEN _____

REFUSED _____

GIVEN AS MODIFIED _____

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UNITED STATES DISTRICT JUDGE

[14] SOURCE: 17 U.S.C. § 102.

CISCO SYSTEMS, INC.'S PROPOSED JURY INTERROGATORY NO. 2

Interrogatory No. 2

Has Alcatel proven by a preponderance of the evidence that it is the following works are original?

ANSWER TO INTERROGATORY NO. 2

Answer "Yes" or "No" with respect to each of the following:

		YES	NO
a)	Whip	☐	☐
b)	WhipSource	☐	☐
c)	Makedep	☐	☐
c)	Makefiles	☐	☐

GIVEN _____

REFUSED _____

GIVEN AS MODIFIED _____

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UNITED STATES DISTRICT JUDGE

CISCO SYSTEMS, INC.'S PROPOSED JURY INSTRUCTION NO. 15.
(Authorship/Initial Ownership)

Copyright automatically exists in a work the moment it is fixed in any tangible medium of expression. Copyright initially vests in the "author" of the work. If the work is created by an individual, that individual is the "author." Copyright law, however, embodies a "work made for hire" doctrine which provides that the copyright in a work made by an employee in the normal course of employment, belongs, not to the individual creating the work, but to that person's employer.[15]

GIVEN _____

REFUSED _____

GIVEN AS MODIFIED _____

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UNITED STATES DISTRICT JUDGE

[15] SOURCE: 17 U.S.C. § 201; 17 U.S.C. § 101; Community for Creative Non-Violence v. Reid, 490 U.S. 730, 109 S.Ct. 2166, 104 L.Ed.2d 811 (1989).

CISCO SYSTEMS, INC.'S PROPOSED JURY INTERROGATORY NO. 3

Interrogatory No. 3

Has Alcatel proven by a preponderance of the evidence that it is the owner of the following works?

ANSWER TO INTERROGATORY NO. 3

Answer "Yes" or "No" with respect to each of the following:

		YES	NO
a)	Whip	☐	☐
b)	WhipSource	☐	☐
c)	Makedep	☐	☐
c)	Makefiles	☐	☐

GIVEN _____

REFUSED _____

GIVEN AS MODIFIED _____

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UNITED STATES DISTRICT JUDGE

CISCO SYSTEMS, INC.'S PROPOSED JURY INSTRUCTION NO. 16.
(Transfer of Ownership)

The copyright owner may transfer to another person the owner's property interest in the copyright, that is, the right to exclude others from reproducing, preparing a derivative work from, distributing, performing, or displaying, the copyrighted work. To be valid, the transfer must be in writing and the writing must be signed by the copyright owner or the owner's authorized agent. The person to whom a right is transferred is called an assignee.[16]

If you find that Marian Trnkus was an independent contractor at the time he created the software programs Whip, Whipsource, Makedep and Makefiles works at issue here, you must determine whether Mr. Trnkus authorized Mr. Richardson to transfer to Alcatel Mr. Trnkus's copyrights in the subject works and, if so, whether Mr. Richardson, acting as Mr. Trnkus's agent, signed a document transferring the copyrights to Alcatel.

GIVEN _____

REFUSED _____

GIVEN AS MODIFIED _____

_____
UNITED STATES DISTRICT JUDGE

[16] SOURCE: 17 U.S.C. § 201(d); 17 U.S.C. § 204(a); Effects, Inc. v. Cohen, 908 F.2d 555 (9th Cir. 1990).

CISCO SYSTEMS, INC.'S PROPOSED JURY INTERROGATORY NO. 4

Interrogatory No. 4

Has Alcatel proven by a preponderance of the evidence that it Marian Trnkus authorized C. Douglas Richardson and/or Prism Consulting to transfer to Alcatel the copyrights in the works at issue created by Mr. Trnkus?

ANSWER TO INTERROGATORY NO. 4

YES ☐

NO ☐

GIVEN _____

REFUSED _____

GIVEN AS MODIFIED _____

_____
UNITED STATES DISTRICT JUDGE

CISCO SYSTEMS, INC.'S PROPOSED JURY INTERROGATORY NO. 5

Interrogatory No. 5

Has Alcatel proven by a preponderance of the evidence that C. Douglas Richardson and/or Prism Consulting, acting on behalf of Marian Trnkus, signed a written agreement that transferred to Alcatel the copyright to transfer to Alcatel the copyrights in the works at issue created by Mr. Trnkus?

ANSWER TO INTERROGATORY NO. 5

YES ☐

NO ☐

GIVEN _____

REFUSED _____

GIVEN AS MODIFIED _____

_____
UNITED STATES DISTRICT JUDGE

CISCO SYSTEMS, INC.'S PROPOSED JURY INSTRUCTION NO. 17.
(Infringement of Copyrights)

One who reproduces a copyrighted work without authority from the copyright owner during the term of the copyright, infringes the copyright. To prove that Cisco infringed the copyright, the plaintiff may show that the defendant had access to the plaintiff's copyrighted work and that there are substantial similarities between the defendant's work and the plaintiff's copyrighted work and that the defendant's work was not independently created.[17]

GIVEN _____

REFUSED _____

GIVEN AS MODIFIED _____

_____
UNITED STATES DISTRICT JUDGE

[17] SOURCE: Fifth Circuit Pattern Jury Instructions: Civil 9.1 (1999) (modified).

CISCO SYSTEMS, INC.'S PROPOSED JURY INTERROGATORY NO. 6

Interrogatory No. 6

Has Alcatel proven by a preponderance of the evidence that Cisco infringed the following works?

ANSWER TO INTERROGATORY NO. 6

Answer "Yes" or "No" with respect to each of the following:

		YES	NO
a)	Whip	☐	☐
b)	WhipSource	☐	☐
c)	Makedep	☐	☐
c)	Makefiles	☐	☐

GIVEN _____

REFUSED _____

GIVEN AS MODIFIED _____

_____
UNITED STATES DISTRICT JUDGE

CISCO SYSTEMS, INC.'S PROPOSED JURY INSTRUCTION NO. 18.
(Fair Use of Copyrighted Work)

One who is not the owner of the copyright may use the copyrighted work in a reasonable way under the circumstances without the consent of the copyright owner if it would advance the public interest. Such use of a copyrighted work is called a fair use. The owner of a copyright cannot prevent others from making a fair use of the owner's copyrighted work.

Cisco contends that there is no copyright infringement because it made fair use of the copyrighted work for the purpose of research and advancing the public interest. The defendant has the burden of proving this defense by a preponderance of the evidence.

In determining whether the use made of the work was fair, you should consider the following factors:

(1) the purpose and character of the use, including whether such use is of a commercial nature or is for nonprofit educational purposes;

(2) the nature of the copyrighted work;

(3) the amount and substantiality of the portion used in relation to the copyrighted work as a whole; and

(4) the effect of the use upon the potential market for or value of the copyrighted work.

If you find that the defendant proved by a preponderance of the evidence that the defendant made a fair use of the plaintiff's work, your verdict should be for the defendant.[18]

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[18] SOURCE: Fifth Circuit Pattern Jury Instructions: Civil 9.1 (1999) (modified).

GIVEN _____

REFUSED _____

GIVEN AS MODIFIED _____

_____

UNITED STATES DISTRICT JUDGE

CISCO SYSTEMS, INC.'S PROPOSED JURY INTERROGATORY NO. 7

Interrogatory No. 7

Has Cisco proven by a preponderance of the evidence that it made fair use of the following programs?

ANSWER TO INTERROGATORY NO. 7

Answer "Yes" or "No" with respect to each of the following:

		YES	NO
a)	Whip	☐	☐
b)	WhipSource	☐	☐
c)	Makedep	☐	☐
c)	Makefiles	☐	☐

GIVEN _____

REFUSED _____

GIVEN AS MODIFIED _____

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UNITED STATES DISTRICT JUDGE

CISCO SYSTEMS, INC.'S PROPOSED JURY INSTRUCTION NO. 19.
(Inequitable Use of Copyright Registration)

Cisco asserts that Alcatel cannot enforce its copyrights because of its inequitable conduct. In applying for the registration of a copyright, an applicant and his or her attorneys have a duty of candor and good faith in its dealing with the Copyright Office. This duty of candor is important because the Copyright Office has only limited information available to determine the validity of the copyright claim. Therefore, to prevent an applicant from obtaining a certificate of registration that it does not deserve, the Copyright Office requires truthful representation of all information which is material to examination of the application.

This means that anyone substantively involved with the copyright application must not intentionally withhold or misrepresent material information concerning the claimed invention. A breach of this duty is called "inequitable conduct" and renders the certificate of registration invalid.

To prove inequitable conduct, Cisco must show, by clear and convincing evidence, that Alcatel (including its attorneys or anyone else substantively involved with the copyright application), with intent to mislead or deceive, withheld or misrepresented information that was significant and material to the Copyright Office's evaluation of the application.

Cisco contends that Alcatel committed inequitable conduct in obtaining certificates of registration by failing to disclose any information relating to Mr. Trnkus's involvement in the creation of the subject works. Cisco also asserts that Alcatel committed inequitable conduct by

failing to disclose its claim that it acquired the copyrights by assignment.[19]

GIVEN _____

REFUSED _____

GIVEN AS MODIFIED _____

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UNITED STATES DISTRICT JUDGE

[19] SOURCE: Uniform Jury Instructions for Patent Case in the United States District Court for the District of Delaware, § 5.1 (1993) (modified).

CISCO SYSTEMS, INC.'S PROPOSED JURY INTERROGATORY NO. 8

Interrogatory No. 8

Has Cisco shown by clear and convincing evidence that Alcatel engaged in fraud, bad faith or inequitable conduct in obtaining registration of a copyright in the following works?

ANSWER TO INTERROGATORY NO. 8

Answer "Yes" or "No" with respect to each of the following:

		YES	NO
a)	Whip	☐	☐
b)	WhipSource	☐	☐
c)	Makedep	☐	☐
c)	Makefiles	☐	☐

GIVEN _____

REFUSED _____

GIVEN AS MODIFIED _____

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UNITED STATES DISTRICT JUDGE

CISCO SYSTEMS, INC.'S PROPOSED JURY INSTRUCTION NO. 20.
(Damages for Copyright Infringement)

If you find for the plaintiff on the plaintiff's copyright infringement claim, you must determine the plaintiff's damages. The plaintiff is entitled to recover the actual damages suffered as a result of the infringement. Actual damages means the amount of money adequate to compensate the copyright owner for the reduction of the market value of the copyrighted work caused by the infringement. The reduction in the market value of the copyrighted work is the amount a willing buyer would have been reasonably required to pay to a willing seller at the time of the infringement for the use made by the defendant of the plaintiff's work. This can be measured by the diminution in value of the copyright.

In addition to actual damages, the plaintiff is also entitled to recover any profits of the defendant attributable to the infringement. However, you may not include in an award of the defendant's profits any amount that you have taken into account in determining actual damages. The defendant's profit is determined by deducting all expenses from the defendant's gross revenue. The defendant's gross revenue is all of the defendant's receipts from the sale of a product containing or using the copyrighted work. The plaintiff has the burden of proving the defendant's gross revenue by a preponderance of the evidence.

Expenses are all operating costs, overhead costs, and production costs incurred in producing the defendant's gross revenue. The defendant has the burden of proving the defendant's expenses by a preponderance of the evidence. If you find that a portion of the profit from the sale of a product containing or using the copyrighted work is attributable to factors other than use of the copyrighted work, that portion of the profit is not attributed to the infringement.

The plaintiff must prove damages by a preponderance of the evidence.[20]

GIVEN _____

REFUSED _____

GIVEN AS MODIFIED _____

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UNITED STATES DISTRICT JUDGE

[20] SOURCE: Fifth Circuit Pattern Jury Instructions: Civil 9.1 (1999) (modified).

CISCO SYSTEMS, INC.'S PROPOSED JURY INTERROGATORY NO. 9

Interrogatory No. 9

Has Alcatel proven by a preponderance of the evidence that it was damaged by Cisco's copyright infringement as to the following works?

ANSWER TO INTERROGATORY NO. 9

Answer "Yes" or "No" with respect to each of the following:

		YES	NO
a)	Whip	☐	☐
b)	WhipSource	☐	☐
c)	Makedep	☐	☐
c)	Makefiles	☐	☐

GIVEN _____

REFUSED _____

GIVEN AS MODIFIED _____

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UNITED STATES DISTRICT JUDGE

SECTION V

ALCATEL'S COMMON LAW MISAPPROPRIATION CLAIM

CISCO SYSTEMS, INC.'S PROPOSED JURY INSTRUCTION NO. 21.
(Common Law Misappropriation/Unfair Competition Claim – General)

Alcatel contends that Cisco's use of the software programs at issue, the software architecture at issue and the knowledge concerning AT&T's project needs constitutes misappropriation under the Texas common law of unfair competition. The term "misappropriation" means the wrongful taking and use of another's property.[21] This claim involves the appropriation and use by Cisco, in competition with Alcatel, of a valuable property created by Alcatel through the expenditure of time, labor, skill and money.[22]

GIVEN _____

REFUSED _____

GIVEN AS MODIFIED _____

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UNITED STATES DISTRICT JUDGE

[21] SOURCE: United States Sporting Products, Inc. v. Johnny Stewart Game Calls, Inc., 865 S.W.2d 214, 217 (Tex. App. – Waco 1993, writ denied).

[22] SOURCE: Id. at 217 (citing Conan Properties, Inc. v. Conan's Pizza, Inc., 752 F.2d 145, 165 (5th Cir. 1985)).

CISCO SYSTEMS, INC.'S PROPOSED JURY INSTRUCTION NO. 22.
(Common Law Misappropriation/Unfair Competition Claim – Elements)

In order to prevail on its state law unfair competition claim, Alcatel must prove each of the following elements by a preponderance of the evidence:

(1) that Alcatel created the software programs at issue, the software architecture at issue and the knowledge of AT&T's needs through the use of extensive time, labor, skill and money;

(2) that Cisco used the software programs at issue, the software architecture at issue and the knowledge of AT&T's needs in competition with Alcatel;

(3) that Cisco, through the use of the software programs at issue, the software architecture at issue and the knowledge of AT&T's needs, gained a special advantage in the competition for optical layer cross-connects;

(4) that Alcatel was damaged as a proximate result of Cisco's use.[23]

GIVEN _____

REFUSED _____

GIVEN AS MODIFIED _____

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UNITED STATES DISTRICT JUDGE

[23] SOURCE: United States Sporting Products, Inc. v. Johnny Stewart Game Calls, Inc., 865 S.W.2d 214, 217 (Tex. App. – Waco 1993, writ denied) (citing Synercom Technology v. University Computing, 474 F. Supp. 37, 39 (N.D. Tex. 1979).

CISCO SYSTEMS, INC.'S PROPOSED JURY INTERROGATORY NO. 10

Interrogatory No. 10

Has Alcatel proven by a preponderance of the evidence that it created the following materials through the use of extensive time, labor, skill and money?

ANSWER TO INTERROGATORY NO. 10

Answer "Yes" or "No" with respect to each of the following:

		YES	NO
a)	Whip Concept	☐	☐
b)	Whip Specific Implementation (files called Whip WhipSource and Makedep)	☐	☐
c)	Makefiles	☐	☐
d)	Cross-Connect Architecture	☐	☐
e)	Knowledge of AT&T's requirements	☐	☐
f)	Cross-Connection Management (files called Route and Fixedlist)	☐	☐

GIVEN _____

REFUSED _____

GIVEN AS MODIFIED _____

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UNITED STATES DISTRICT JUDGE

CISCO SYSTEMS, INC.'S PROPOSED JURY INTERROGATORY NO. 11

Interrogatory No. 11

Has Alcatel proven by a preponderance of the evidence that Cisco used the following materials in competition with Alcatel?

ANSWER TO INTERROGATORY NO. 11

Answer "Yes" or "No" with respect to each of the following:

		YES	NO
a)	Whip Concept	☐	☐
b)	Whip Specific Implementation (files called Whip WhipSource and Makedep)	☐	☐
c)	Makefiles	☐	☐
d)	Cross-Connect Architecture	☐	☐
e)	Knowledge of AT&T's requirements	☐	☐
f)	Cross-Connection Management (files called Route and Fixedlist)	☐	☐

GIVEN _____

REFUSED _____

GIVEN AS MODIFIED _____

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UNITED STATES DISTRICT JUDGE

CISCO SYSTEMS, INC.'S PROPOSED JURY INTERROGATORY NO. 12

Interrogatory No. 12

Has Alcatel proven by a preponderance of the evidence that Cisco used the following materials to gain a special advantage in the market for optical cross-connects?

ANSWER TO INTERROGATORY NO. 12

Answer "Yes" or "No" with respect to each of the following:

		YES	NO
a)	Whip Concept	☐	☐
b)	Whip Specific Implementation (files called Whip WhipSource and Makedep)	☐	☐
c)	Makefiles	☐	☐
d)	Cross-Connect Architecture	☐	☐
e)	Knowledge of AT&T's requirements	☐	☐
f)	Cross-Connection Management (files called Route and Fixedlist)	☐	☐

GIVEN _____

REFUSED _____

GIVEN AS MODIFIED _____

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UNITED STATES DISTRICT JUDGE

CISCO SYSTEMS, INC.'S PROPOSED JURY INTERROGATORY NO. 13

Interrogatory No. 13

Has Alcatel proven by a preponderance of the evidence that it suffered damage as a proximate result of Cisco's alleged use of the following materials?

ANSWER TO INTERROGATORY NO. 13

Answer "Yes" or "No" with respect to each of the following:

		YES	NO
a)	Whip Concept	☐	☐
b)	Whip Specific Implementation (files called Whip WhipSource and Makedep)	☐	☐
c)	Makefiles	☐	☐
d)	Cross-Connect Architecture	☐	☐
e)	Knowledge of AT&T's requirements	☐	☐
f)	Cross-Connection Management (files called Route and Fixedlist)	☐	☐

GIVEN _____

REFUSED _____

GIVEN AS MODIFIED _____

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UNITED STATES DISTRICT JUDGE

SECTION VI

ALCATEL'S MISAPPROPRIATION OF TRADE SECRETS CLAIM

CISCO SYSTEMS, INC.'S PROPOSED JURY INSTRUCTION NO. 23.
(Trade Secret Misappropriation – General)

Alcatel alleges that Cisco has misappropriated its trade secrets. In order for Alcatel to prevail on its misappropriation claim, it must prove by a preponderance of the evidence both (1) that the specific information used was a trade secret, and (2) that the means of appropriation was improper or wrongful.[24]

A trade secret may consist of any formula, pattern, device, or compilation of information which is used in one's business, and which gives him an opportunity to obtain an advantage over competitors who do not know or use it.[25]

A trade secret can exist in a combination of characteristics and components each of which, by itself, is in the public domain, but the unified process, design and operation of which in combination affords a competitive advantage.[26] It may be a formula for a chemical compound, a process of manufacturing, treating or preserving materials, a pattern for a machine or other device or a list of customers.[27] The procedure or device may be based on a previously existing idea in the industry and still be entitled to protection, so long as the procedure or device is not generally known.[28]

An exact definition of a trade secret is not possible. Some factors to be considered in determining whether information is Alcatel's trade secret are:

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[24] SOURCE: Interox America v. PPG Ind., Inc., 736 F.2d 194, 200 (5th Cir. 1984).

[25] RESTATEMENT OF TORTS, §757 cmt. b (1939); *Computer Assoc. Int'l., Inc. v. Altai, Inc.*, 918 S.W.2d 453, 455 (Tex. 1996).

[26] *Metallurgical Industries, Inc. v. Fourtek, Inc.*, 790 F.2d 1195, 1202 (5th Cir. 1986) (quoting *Sikes v. McGraw Edison Co.*, 665 F.2d 731, 736 (5th Cir.) *cert denied* 548 U.S. 1108 (1982)).

[27] *K & G Oil Tool & Serv. Co. v. G & G Fishing Tool Serv.*, 314 S.W.2d 782, 788 (Tex. 1958); *American Precision Vibrator Co. v. Nat'l Air Vibrator Co.*, 764 S.W.2d 274, 277 (Tex. App. – Houston [1st Dist.] 1988)

[28] K&G Oil Tool & Serv. Co. v. G&G Fishing Tool Serv., 314 S.W.2d 782, 785 (Tex. 1958).

1. The extent to which the information was known outside Alcatel's business;

2. The extent to which the information was known to Alcatel's employees and others involved in Alcatel's business.

3. The extent of measures taken by Alcatel to guard the secrecy of the information;

4. The value of the information to Alcatel and its competitors;

5. The amount of effort or money Alcatel expended in developing the information; and,

6. The ease or difficulty with which the information could be properly acquired or duplicated by others.[29]

GIVEN _____

REFUSED _____

GIVEN AS MODIFIED _____

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UNITED STATES DISTRICT JUDGE

[29] RESTATEMENT OF TORTS, §757 cmt. b (1939); *American Derringer Corp. v. Bond*, 924 S.W.2d 773, 777 n.2 (Tex.App.—Waco 1996).

CISCO SYSTEMS, INC.'S PROPOSED JURY INSTRUCTION NO. 24.
(Trade Secret Misappropriation -- Elements)

To prevail on its claim of misappropriation of trade secrets, Alcatel must prove each of the following elements by a preponderance of the evidence with regard to each trade secret it claims Cisco misappropriated:

1. that Alcatel possessed a trade secret(s);
2. that Cisco acquired the trade secret(s) by improper means or through a confidential relationship;
3. that Cisco used or disclosed the trade secret(s) without Alcatel's permission.

Further, Alcatel must also prove, by a preponderance of the evidence with regard to the trade secret(s) it claims.

GIVEN _____

REFUSED _____

GIVEN AS MODIFIED _____

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UNITED STATES DISTRICT JUDGE

CISCO SYSTEMS, INC.'S PROPOSED JURY INSTRUCTION NO. 25.
(Trade Secrets – Reasonable Efforts to Maintain Secrecy)

For information to qualify as a "trade secret," it must, at a minimum, be kept secret, not a matter of general knowledge which is intended to be kept secret.[30] Further, the owner must not tale actions that unnecessarily expose the secret to disclosure.[31] There can be no misappropriation of non-secret information. Alcatel must have taken reasonable efforts under the circumstances to maintain secrecy and must not have taken any actions which unreasonably compromise disclosure of its secrets.

Under Texas law, simply labeling property or information "proprietary" does not, in and of itself, make it a protectable trade secret.[32]

GIVEN _____

REFUSED _____

GIVEN AS MODIFIED _____

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UNITED STATES DISTRICT JUDGE

[30] SOURCE: Stewart & Stevenson Serv., Inc. v. Serv-Tech, Inc., 879 S.W.2d 89, 95-99 (Tex. App. – Houston 1994, writ denied).

[31] SOURCE: Id. at 111.

[32] SOURCE: Id. at 95-99

SECTION VII

ALCATEL'S TEXAS THEFT LIABILITY ACT CLAIM

CISCO SYSTEMS, INC.'S PROPOSED JURY INSTRUCTION NO. 26.
(Texas Theft Liability Act – General)

Alcatel contends that Cisco is liable under the Texas Theft Liability Act. Liability under the Texas Theft Liability Act is civil, but is based on the elements of a criminal offense. Thus, in order to establish such a claim, Alcatel bears the burden of proving beyond a reasonable doubt that Cisco unlawfully appropriated Alcatel's trade secrets property, as defined in the Texas Penal Code, by knowingly (1) stealing a trade secret, (2) making a copy of an article representing a trade secret, or (3) communicating or transmitting a trade secret.[33]

GIVEN _____

REFUSED _____

GIVEN AS MODIFIED _____

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UNITED STATES DISTRICT JUDGE

[33] SOURCE: Tex. Civ. Prac. & Rem. Code § 134.002(2); Tex. Penal Code § 31.05(b)(1)-(3)

CISCO SYSTEMS, INC.'S PROPOSED JURY INSTRUCTION NO. 27.
(Texas Theft Liability Act – Definition of Trade Secret)

For purposes of the Texas Theft Liability Act, a "trade secret" is defined as the whole or part of any scientific or technical information, design, process, procedure, formula, or improvement that has value and that the owner has taken measures to prevent it from becoming available to persons other than those selected by the owner to have access for limited purposes.[34] In addition, it must not only be secret, but must also be generally unavailable to the public and give one who uses it an advantage over competitors who do not know or use the trade secret.[35]

GIVEN _____

REFUSED _____

GIVEN AS MODIFIED _____

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UNITED STATES DISTRICT JUDGE

[34] SOURCE: Tex. Penal Code § 31.05(a) (4).

[35] SOURCE: McGowan v. The State of Texas, 938 S.W.2d 732, 738 175 (Tex. App. – Houston 1997), reh'g overruled, pet. for discretionary review granted, affirmed 975 S.W.2d 621.

SECTION VIII

ALCATEL'S CIVIL CONSPIRACY CLAIM

CISCO SYSTEMS, INC.'S PROPOSED JURY INSTRUCTION NO. 28.
(Civil Conspiracy -- General)

Alcatel contends that Cisco entered into a conspiracy to misappropriate its trade secrets and infringe its copyrights. An actionable civil conspiracy is a combination by two or more persons to accomplish an unlawful purpose or to accomplish a lawful purpose by unlawful means.[36] To be part of a conspiracy, Cisco must have had knowledge of, agreed to, and intended a common objective or course of action that resulted in the damages to Alcatel. Cisco must have performed some act or acts to further the conspiracy.[37] Further, in order for it to recover damages, the acts of the conspiracy must have proximately caused damage to Alcatel.[38]

GIVEN _____

REFUSED _____

GIVEN AS MODIFIED _____

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UNITED STATES DISTRICT JUDGE

[36] *Meineke Discount Muffler v. Jaynes*, 999 F.2d 120, 124 (5th Cir. 1993); *Massey v. Armco Steel Co.*, 652 S.W.2d 932, 934 (Tex. 1983); Texas Pattern Jury Charge §109.1, Comment (1998).

[37] Texas Pattern Jury Charge §109.1 (1998).

[38] Texas Pattern Jury Charge §109.1 (1998).

SECTION IX

ALCATEL'S CONVERSION CLAIM

CISCO SYSTEMS, INC.'S PROPOSED JURY INSTRUCTION NO. 29.
(Conversion – General)

Alcatel alleges that Cisco converted its trade secrets. In order to prove its conversion claim, Alcatel must establish by a preponderance of the evidence that (1) it owned, had legal possession of, or was entitled to possession of the property; (2) Cisco assumed and exercised dominion and control over the property in an unlawful and unauthorized manner, to the exclusion of an inconsistent with plaintiff's rights, (3) Cisco refused Alcatel's demand for return of property, and (4) Alcatel suffered actual loss as a result.[39]

GIVEN _____

REFUSED _____

GIVEN AS MODIFIED _____

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UNITED STATES DISTRICT JUDGE

[39] SOURCE: ITT Commercial Finance Corp. v. Bank of the West, 166 F.3d 295 (5th Cir. 1999); Huffmeyer v. Mann, 49 S.W.3d 554 (Tex. App. Corpus Christi 2001); Longaker v. Evans, 32 S.W.3d 725 (Tex. App. San Antonio 2000), petition for review filed, (Jan. 8, 2001); Speciality Retailers, Inc. v. Fuqua, 29 S.W.3d 140 (Tex. App. Houston 14th Dist. 2000), reh'g overruled (Oct. 12, 2000) and review denied, (Feb. 1, 2001).

SECTION X

ALCATEL'S PATENT INFRINGEMENT CLAIM

CISCO SYSTEMS, INC.'S PROPOSED JURY INSTRUCTION NO. 30.
(Patent – General)

This case involves a dispute relating to a United States patent. Before summarizing the positions of the parties and the legal issues involved in this dispute, let me take a moment to explain what a patent is and how one is obtained.

A patent is a document that consists of a specification, a claim or claims which are part of the specification, one or more drawings and an oath supplied by the applicant. The specification contains a written description of the invention and of the manner and process of making and using it. The specification must conclude with one or more claims. Claims are numbered paragraphs which define in words the inventor's rights by marking the limits or boundaries of the invention claimed to have been invented. The claims of the patent must define the particular thing claimed to have been invented with precision so that the public will know what the thing is and be able to avoid infringing the patent. These claims define the exact limits or nature of the invention, and it is only the claims of the patent that can be infringed. Each of the claims must be considered individually.[40]

GIVEN _____

REFUSED _____

GIVEN AS MODIFIED _____

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UNITED STATES DISTRICT JUDGE

[40] SOURCE: Fifth Circuit Pattern Jury Instructions: Civil, § 9.1 (1999) (modified).

CISCO SYSTEMS, INC.'S PROPOSED JURY INSTRUCTION NO. 31.
(Purpose of the Patent System)

Patent law imposes stringent requirements for patent protection to assure that ideas in the public domain remain there for the use of the public, and to avoid monopolies that unnecessarily stifle competition. In exchange for a full and clear public disclosure of an invention within a strict, limited time period following commercial sale or offer for sale of that invention in the United States, the patent owner is granted a right to exclude any other person from making, using, offering for sale or selling the invention covered by the patent application in the United States or importing the invention into the United States.[41]

GIVEN _____

REFUSED _____

GIVEN AS MODIFIED _____

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UNITED STATES DISTRICT JUDGE

[41] SOURCE: 35 U.S.C. § 271(a); 35 U.S.C. § 102(b); *Pffaf v. Wells Electr., Inc.*, 119 S. Ct. 304, 310 (1998); *Aronson v. Quick Point Pencil Co.*, 440 U.S. 257, 262 (1979).

CISCO SYSTEMS, INC.'S PROPOSED JURY INSTRUCTION NO. 32.
(How a Patent Is Obtained)

Patents are granted by the United States Patent and Trademark Office (sometimes referred to as "the Patent Office" or "the PTO"), an agency of the federal government. The process of obtaining a patent is called "patent prosecution."

To obtain a patent, one must file an application with the Patent Office. The Patent Office may not be aware of all the "prior art" that pertains to the patent application, so a duty of disclosures exists on those individuals who are involved with the application. Prior art is defined by law, and I will give you at a later time specific instructions as to what constitutes prior art. However, in general, prior art includes things which existed before the claimed invention, that were publicly known or were used in a publicly accessible way in the United States, or that were patented or described in a publication in any country. The applicant and his or her attorneys have a duty to provide to the Patent Office any material prior art that they are aware of. They also have a duty to disclose information to the Patent Office about any commercial use or sale or offer for sale of the invention more than one year before the filing date of the application.

A PTO patent examiner reviews the patent application to determine whether the claims are patentable and whether the specification adequately describes the invention claimed. In examining a patent application, the patent examiner reviews some of the records available to the PTO additional prior art. With the prior art provided by the applicant, and the prior art found by the examiner at the patent office, the examiner considers, among other things, whether each claim in the patent application defines an invention that is new, useful and not obvious in view of the prior art.

After the prior art search and examination of the application, the patent examiner then informs the applicant in writing what the examiner has found and whether the claims are patentable and thus "allowed." This writing from the patent examiner is called an "office action." If the examiner rejects the claims, the applicant then responds and sometimes changes

the claims or submits new claims. This process, which is confidential between the examiner and the patent applicant, may go back and forth for some time until the examiner is satisfied that the application and claims meet the requirements for a patent. The papers generated during this time of communicating back and forth between the patent examiner and the applicant make up what is called the "prosecution history" or "file history." All of this material is kept secret between the applicant and the Patent Office for some time, often until the patent is issued, when it becomes available to the public.

The fact that the Patent Office grants a patent does not necessarily mean that any invention claimed in the patent, in fact, deserves the protection of a patent. A person accused of patent infringement has the right to argue here in federal court that a claimed invention in the patent is invalid because it does not meet the requirements of a patent.[42]

GIVEN _____

REFUSED _____

GIVEN AS MODIFIED _____

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UNITED STATES DISTRICT JUDGE

[42] SOURCE: Model Pattern Jury Instructions for the Northern District of California, § A.1 (2002) (modified); 35 U.S.C. §§ 101, 102, 103, 112 and 154; 37 C.F.R. § 1.104; *.Aronson v. Quick Point Pencil Co.*, 440 U.S. 257, 262 (1979); *Amgen, Inc. v. Chugai Pharm. Co.*, 927 F.2d 12000, 1209-10 (Fed. Cir. 1991).

CISCO SYSTEMS, INC.'S PROPOSED JURY INSTRUCTION NO. 33.
(Summary of Contentions and Patent at Issue)

This case involves a United States patent obtained by Alcatel. The patent involved in this case is United States 5,455,959. For convenience, the parties and I will often refer to the patent as the '959 patent, 959 being the last three numbers of the patent number.

Alcatel claims that Cisco infringed this patent. Cisco claims that the '959 Patent is not valid and that Cisco did not infringe the patent.

The scope of the patent claims is a question of law for the Court. You must accept the meanings I give you and use them when you decide whether any claim of the patent is invalid and whether it has been infringed. My interpretation of the language of the claims involved in this case should not be taken as an indication that I have a view regarding issues of invalidity and infringement. The decisions regarding invalidity and infringement are yours to make.

I instruct you that the patent claims alleged to have been infringed in this case are **[insert construction of claims 1 and 2]**. [43]

GIVEN _____

REFUSED _____

GIVEN AS MODIFIED _____

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UNITED STATES DISTRICT JUDGE

[43] SOURCE: Fifth Circuit Pattern Jury Instructions: Civil, § 9.1 (1999) (modified); Model Pattern Jury Instructions for the Northern District of California, §§ A.3, B.2 (2002) (modified) (citing *Markman v. Westview Instruments, Inc.*, 517 U.S. 370, 384-391 (1996); *Pitney Bowes, Inc. v. Hewlett-Packard Co.*, 182 F.3d 1298, 1304-13 (Fed. Cir. 1999); *Cybor Corp. v. FAS Techs.*, 138 F..3d 1448 (Fed. Cir. 1998)(*en banc*); *Markman v. Westview Instruments, Inc.*, 52 F.3d 967, 977 (Fed. Cir. 1995)(*en banc*)).

CISCO SYSTEMS, INC.'S PROPOSED JURY INSTRUCTION NO. 34.
(Patent Invalidity – General)

Cisco claims that the claims of Alcatel's patent are not valid because: (1) the claimed invention was not novel or new, (2) the claimed invention was obvious, and/or (3) the patent application was not timely filed. If you find by clear and convincing evidence that the claims of the patent lacks novelty or non-obviousness or that the patent application was not timely filed, then you should find those claims invalid and render a verdict for Cisco.[44]

GIVEN _____

REFUSED _____

GIVEN AS MODIFIED _____

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UNITED STATES DISTRICT JUDGE

[44] SOURCE: Fifth Circuit Pattern Jury Instructions: Civil, § 9.2 (1999) (modified).

CISCO SYSTEMS, INC.'S PROPOSED JURY INSTRUCTION NO. 35.
(Patent Invalidity – Burden of Proof)

To prove invalidity of the patent or any claim in the patent, Cisco must establish by clear and convincing evidence that Alcatel's patent or any claim in the patent is not valid. Clear and convincing evidence is a more exacting standard than proof by a preponderance of the evidence, which only requires that the party's claim be more likely true than not true. Instead, Cisco must persuade you that it is highly probable that the patent or any patent claim is invalid. Nevertheless, the clear and convincing evidence standard is not as high as the burden of proof applied in a criminal case, which is beyond a reasonable doubt.[45]

GIVEN _____

REFUSED _____

GIVEN AS MODIFIED _____

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UNITED STATES DISTRICT JUDGE

[45] SOURCE: Fifth Circuit Pattern Jury Instructions: Civil, § 9.2 (1999) (modified); Model Pattern Jury Instructions for the Northern District of California, § B.4.1 (2002) (modified) (citing *Buildex, Inc. v. Kason Industries, Inc.*, 849 F.2d 1461, 1463 (Fed. Cir. 1988); *Hybritech, Inc. v. Monoclonal Antibodies, Inc.*, 802 F.2d 1367, 1375 (Fed. Cir. 1986), *cert. denied*, 480 U.S. 947 (1987)).

CISCO SYSTEMS, INC.'S PROPOSED JURY INSTRUCTION NO. 36.
(Prior Art)

Some of these instructions will refer to "prior art." Prior art means technology and information that was publicly available before the date of the invention. In considering prior art, you should consider prior art that is relevant to the particular problem the inventor faced.

Prior art includes (1) patents issued more than one year before the filing of the patent application or before the date of the invention; (2) publications having a date more than one year before the filing date of the patent application or before the date of the invention; (3) U.S. patents that have a filing date prior to the date of the invention of the subject matter in the patent; (4) any system or method in public use or offered for sale in the United States more than one year before the filing date of the patent in issue; (5) any system or method that was publicly known or used by others in the United States before the date of the invention of the claimed subject matter in the patent; and (6) any system or method that was made or built in this country by another person before the date of the invention of the claimed subject matter in the patent and not abandoned, suppressed or concealed.[46]

GIVEN _____

REFUSED _____

GIVEN AS MODIFIED _____

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UNITED STATES DISTRICT JUDGE

[46] SOURCE: Fifth Circuit Pattern Jury Instructions: Civil, § 9.4 (1999).

CISCO SYSTEMS, INC.'S PROPOSED JURY INSTRUCTION NO. 37.
(Level of Ordinary Skill)

Some of these instructions will refer to "level of ordinary skill." In determining the level of ordinary skill in the art, you should consider the person of ordinary skill as one who is presumed to be aware of all pertinent prior art. The skill of the actual inventor is irrelevant, because inventors may possess something that distinguishes them from workers of ordinary skill in the art. In determining the level of ordinary skill in the art, you should consider such factors as the educational level of active workers in the field, the types of problems encountered in the art, the nature of prior art solutions to those problems, prior art patents and publications, the activities of others, the sophistication of the technology involved, as well as the rapidity of innovation in the field.[47]

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UNITED STATES DISTRICT JUDGE

[47] SOURCE: Fifth Circuit Pattern Jury Instructions: Civil, § 9.5 (1999) (modified).

CISCO SYSTEMS, INC.'S PROPOSED JURY INSTRUCTION NO. 38.
(Anticipation by Prior Art)

A person cannot obtain a patent on an invention if someone else has already made the same invention. In other words, the invention must be new. If it is not new, we say that it was "anticipated" by the prior art. An invention that is "anticipated" by the prior art is not entitled to patent protection and is invalid. A party challenging the validity of a patent must prove anticipation by clear and convincing evidence.

In order for a claim in '959 patent to be anticipated by the prior art, each and every limitation of the claim must be present within a single item of prior art, whether that prior art is a publication, a prior patent, a prior invention, a prior public use or sale, or some other item of prior art. You may not find that the prior art anticipates a claim by combining two or more items of prior art.

Following is a list of ways that Cisco can show that a patent claim was not new (i.e., anticipated):

a. the claimed invention was known or used by others in the United States before March 2, 1992, the date of Alcatel's invention;

b. the claimed invention was already patented or described in a printed publication anywhere in the world before March 2, 1992, the date of Alcatel's invention;

c. before March 2, 1992, the claimed invention was made in this country by another who had not abandoned, suppressed or concealed it. In determining priority of invention there shall be considered not only the respective dates of conception and reduction to practice of the invention, but also the reasonable diligence of one who was first to conceive and last to reduce to practice, from a time prior to conception by the other.

In deciding whether or not a single item of prior art anticipates a patent claim, you should consider that which is expressly stated or present in the item of prior art, and also that which is inherently present. Something is inherent in an item of prior art if it is always present in the prior art or always results from the practice of the prior art and if a skilled person would understand

that to be the case.

A prior public use by another may anticipate a patent claim even if the use was accidental or was not appreciated by the other person. Thus, a prior public use may anticipate an invention even if the user did not intend to use the invention, or even realize he or she had done so.

The prior public use of a claimed invention may be prior art to the patent claims under two different circumstances. The first is where the invention was known to or used by someone other than the inventor before the date of invention on the patent. The second is where the invention was used publicly by the inventor, the patent owner, or anyone else more than one year before the application for the patent was filed.

In both circumstances, the public use must have been in the United States. Prior public use or knowledge of the claimed invention outside the United States is not prior art to a patent claim.

Use or knowledge by someone other than the inventor may be prior art if it was before the date of the invention of the inventor on the patent or more than one year before the filing of the application for the patent. In either case, a prior use by someone other than the inventor or the patent owner will not be prior art unless it was public. Private or secret knowledge or use by another is not prior art.

If the prior use was more than one year before the filing date of the application for the patent, then the date of invention for the patent claims is irrelevant. A public use more than one year before the patent application was filed may be prior art regardless of the date of invention.

A prior use more than one year before the application filing date by the inventor or the patent owner will be prior art if it was for commercial purposes, even if it was done in secret.[48]

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[48] SOURCE: Fifth Circuit Pattern Jury Instructions: Civil, § 9.3 (1999) (citing 35 U.S.C. § 102); Model Pattern Jury Instructions for the Northern District of California, § B.4.3 (2002) (modified) (citing *Apotex U.S.A., Inc. v. Merck & Co.*, 254 F.3d 1031, 1035 (Fed. Cir. 2001); *Mycogen Plant Science v. Monsanto Co.*, 243 F.3d 1316, 1330 (Fed. Cir. 2001); *Ecolochem, Inc. v. Southern Cal. Edison Co.*, 227 F.3d 1361, 1367-70 (Fed. Cir. 2000); *Singh v. Brake*, 222 F.3d 1362, 1366-70 (Fed. Cir. 2000); *Pannu v. Iolab Corp.*, 155 F.3d 1344, 1349 (Fed. Cir. 1998); *Gambro Lundia AB v. Baxter Healthcare Corp.*, 110 F.3d 1573, 1576-78 (Fed. Cir. 1997); *Lamb-Weston,*

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UNITED STATES DISTRICT JUDGE

Inc. v. McCain Foods, Ltd., 78 F.3d 540, 545 (Fed. Cir. 1996); *In re Bartfeld*, 925 F.2d 1450 (Fed. Cir. 1985); *Ralston Purina Co. v. Far-Mar-Co, Inc.*, 772 F.2d 1570, 1574 (Fed. Cir. 1985)); Pattern Jury Instructions, The Federal Circuit Bar Association; *Ecolochem, Inc. v. S. Cal. Edison Co.*, 227 F.3d 1361, 1367-70 (Fed. Cir. 2000); *Atlas Powder Co. v. IRECO Inc.*, 190 F.3d 1342, 1346 (Fed. Cir. 1999); *Abbot Labs. v. Geneva Pharms, Inc.*, 182 F.3d 1354, 1364 (Fed. Cir. 1999).

CISCO SYSTEMS, INC.'S PROPOSED JURY INTERROGATORY NO. 14

	YES	NO
(a) Has Cisco proven by clear and convincing evidence that claim 1 of the patent in suit is invalid because of lack of novelty of claimed invention?	☐	☐
(b) Has Cisco proven by clear and convincing evidence that claim 2 of the patent in suit is invalid because of lack of novelty of claimed invention?	☐	☐

Go to Instruction # 10.

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UNITED STATES DISTRICT JUDGE

CISCO SYSTEMS, INC.'S PROPOSED JURY INSTRUCTION NO. 39.
(On Sale Statutory Bar)

A patent claim is also invalid if the patent application was not filed within the time required by law. It is against public policy and patent law for an inventor to commercially exploit a claimed invention by selling or offering it for sale more than one year before the effective filing date of the patent application because this would have the effect of extending the term of the patent beyond that fixed by Congress. For a patent claim to be invalid here, all of its elements must have been present in one prior art device more than one year before the patent application was filed.

Cisco can show that the patent application was not timely filed if a system or method embodying the claimed invention was sold or offered for sale in the United States, and that claimed invention was ready for patenting, before March 2, 1991. The claimed invention is ready for patenting if it was actually built, or if the inventor had prepared drawings or other descriptions of the claimed invention that were sufficiently detailed to enable a person of ordinary skill in the field to make and use the invention based on them.

For a claim to be invalid under the On Sale Statutory Bar, all of the claimed requirements must have been embodied in the device, or would have been known to a person of ordinary skill in the field to have been necessarily present in the reference.

A system or method is "offered for sale" when it subject of a commercial offer. An offer is any verbal or written communication indicating a willingness to enter into a bargain, so made as to justify another person in understanding that an acceptance of the communication is invited and will conclude the bargain.

If the sale or offer for sale was a system or method using the claimed invention, then it may be prior art regardless of who made the offer.

Even a single offer for sale to a single customer may be a commercial offer, even

if the customer does not accept the offer.[49]

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UNITED STATES DISTRICT JUDGE

[49] Model Pattern Jury Instructions for the Northern District of California, § B.4.3 (2002) (modified) (citing *Pfaff v. Wells Electonics Inc.*, 525 U.S. 55 (1998); *Helifix Ltd. v. Blok-Lok, Ltd.*, 208 F.3d 1339, 1346 (Fed. Cir. 2000); *Abbot Labs v. Geneva Pharms., Inc.*, 182 F.3d 1315, 1318 (Fed. Cir. 1999); *Finnegan Corp. v. Int'l Trade Comm'n*, 180 F.3d 1354 (Fed. Cir. 1999); *J.A. LaPorte, Inc. v. Norfolk Dredging Co.*, 787 F.2d 1577, 1581 (Fed. Cir. 1986); *In re Hall*, 781 F.2d 897, 898-99 (Fed. Cir. 1986); *D.L. Auld Co. v. Chroma Graphics Corp.*, 714 F.2d 1144, 1150 (Fed. Cir. 1983)); Model Patent Jury Instructions, The Federal Circuit Bar Association; *Linear Tech. Corp. v. Micrel*, 63 F. Supp. 2d 1103 (N.D. Cal. 2001).

CISCO SYSTEMS, INC.'S PROPOSED JURY INTERROGATORY NO. 15

	YES	NO
(a) Has Cisco proven by clear and convincing evidence that claim 1 of the patent in suit is invalid because Alcatel made an offer to sell a product using the claimed invention before March 2, 1991 and thus its patent application, filed more than one year later, was not timely?	☐	☐
(b) Has Cisco proven by clear and convincing evidence that claim 2 of the patent in suit is invalid because Alcatel made an offer to sell a product using the claimed invention before March 2, 1991 and thus its patent application, filed more than one year later, was not timely?	☐	☐

Go to Instruction #11.

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UNITED STATES DISTRICT JUDGE

CISCO SYSTEMS, INC.'S PROPOSED JURY INSTRUCTION NO. 40.
(Obviousness)

A patent claim is also invalid if the claimed invention would have been obvious to a person of ordinary skill in the field at the time the application was filed. This means that, even if all of the requirements of the claim cannot be found in a single prior art reference or a prior art device, a person of ordinary skill in the field who knew about all of the prior art would have come up with the claimed invention. If it would have been obvious, the patent is not valid.

In determining whether the patent is invalid because of obviousness, you must consider the scope and content of the prior art, the differences between the prior art and the claimed invention, and the level of ordinary skill in the art. In making these assessments, you must also consider other surrounding circumstances that are called secondary considerations. These include:

(a) whether the claimed invention was commercially successful due to the merits of the claimed invention;

(b) whether the claimed invention satisfied a long-felt need in the art;

(c) whether others were unsuccessful in making the claimed invention;

(d) whether the claimed invention was copied by others in the art;

(e) whether the claimed invention received praise from others in the art; and

(f) whether the claimed invention departed from other principles or accepted wisdom of the art;

(g) independent invention of the claimed invention by others before or at about the same time as the claimed invention.

In order to prove obviousness, Cisco must prove by clear and convincing evidence that one of ordinary skill in the art at the time the patent application was filed would have found in

the prior art some teaching, suggestion or incentive to combine the prior art in the way Alcatel did in its invention. You may not use hindsight to assemble the invention from prior art elements.[50]

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UNITED STATES DISTRICT JUDGE

[50] SOURCE: Fifth Circuit Pattern Jury Instructions: Civil, § 9.5 (1999) (modified); Model Pattern Jury Instructions for the Northern District of California, § B.4.3 (2002) (modified) (citing *Graham v. John Deere Co.*, 383 U.S. 1 (1966); *Arkie Lures, Inc. v. Gene Larew Tackle, Inc.*, 119 F.3d 953, 957 (Fed. Cir. 1997); *Specialty Composites v. Cabot Corp.*, 845 F.2d 981, 991 (Fed. Cir. 1988); *Windsurfing Int'l, Inc. v. AMF, Inc.*, 782 F.2d 995, 1000 (Fed. Cir. 1986), *cert. denied*, 477 U.S. 905 (1986); *Pentec, Inc. v. Graphic Controls Corp.*, 776 F.2d 309, 313 (Fed. Cir. 1985)).

CISCO SYSTEMS, INC.'S PROPOSED JURY INTERROGATORY NO. 16

	YES	NO
Has Cisco proven by clear and convincing evidence that claim 1 of the patent in suit is invalid because of obviousness of the claimed invention?	☐	☐
Has Cisco proven by clear and convincing evidence that claim 2 of the patent in suit is invalid because of obviousness of the claimed invention?	☐	☐

Go to Instruction # 12.

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UNITED STATES DISTRICT JUDGE

CISCO SYSTEMS, INC.'S PROPOSED JURY INSTRUCTION NO. 41.
(Patent Infringement –Burden of Proof)

Alcatel contends that Cisco's Wavelength Router directly infringed both claims 1 and 2 of the '959 patent. To prove infringement, Alcatel must establish by a preponderance of the evidence that Cisco infringed a patent claim. That is, Alcatel must persuade you that it is more likely than not that Cisco infringed that claim.[51]

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UNITED STATES DISTRICT JUDGE

[51] SOURCE: Fifth Circuit Pattern Jury Instructions: Civil, § 9.1 (partial) (1999); Model Pattern Jury Instructions for the Northern District of California, § B.4.3 (2002) (modified) (citing *Seal-Flex, Inc. v. Athletic Track & Court Constr.*, 172 F.3d 836, 842 (Fed.Cir. 1999); *Morton Int'l, Inc. v. Cardinal Chem. Co.*, 5 F.3d 1464, 1468-69 (Fed. Cir. 1993)).

CISCO SYSTEMS, INC.'S PROPOSED JURY INSTRUCTION NO. 42.
(Patent Infringement – Literal Infringement)

Once a patent is issued, the owner of the patent has a right to exclude others from making, using or selling the patented invention throughout the United States. Thus, infringement of a patent occurs when a person, without the owner's permission, makes, uses or sells the patented invention anywhere in the United States while the patent is in force. To determine whether there is an infringement you must compare the allegedly infringing product with the scope of the patent claims as I have defined them for you.

Alcatel may prove its claim of infringement by demonstrating that Cisco's Wavelength Router literally infringes a claim contained in the patent. In order for you to find that Cisco's Wavelength Router literally infringes a claim of Alcatel's patent, you must find that each and every limitation of that claim is found in Cisco's Wavelength Router. In other words, a product literally infringes a patented claim when the same combination of limitations found in the claim can also be found in the product. If, however, Cisco's Wavelength Router is missing even one limitation of the patent claim, Cisco does not literally infringe that claim.

In making your determination, you must consider each claim separately. Not all of the claims of a patent must be infringed before a patent is infringed.

Alcatel need not prove Cisco had the intent to literally infringe the patent or that Cisco knew that its acts infringed the patent. Good faith is not a defense to a claim of patent infringement.

If you find that Alcatel has failed to prove by a preponderance of the evidence that Cisco literally infringed any of the claims listed above, you must find for Cisco. [52]

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[52] SOURCE: Fifth Circuit Pattern Jury Instructions: Civil, § 9.1 (partial) (1999); Model Pattern Jury Instructions for the Northern District of California, § B.3 (2002) (modified) (citing *Netword, LLC v. Centraal Corp.*, 242 F.3d 1347, 1353 (Fed. Cir. 2001); *Wenger Mfg., Inc. v. Coating Mach. Sys., Inc.*, 239 F.3d 1225, 1238 (Fed. Cir. 2001); *Cole v. Kimberly-Clark Corp.*, 102 F.3d 524, 532 (Fed. Cir. 1996)).

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UNITED STATES DISTRICT JUDGE

CISCO SYSTEMS, INC.'S PROPOSED JURY INTERROGATORY NO. 17

	YES	NO
Has Alcatel proven by a preponderance of the evidence that Cisco has literally infringed claim 1 of the patent in suit?	☐	☐
Has Alcatel proven by a preponderance of the evidence that Cisco has literally infringed claim 2 of the patent in suit?	☐	☐

Go to Instruction # 15.

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UNITED STATES DISTRICT JUDGE

CISCO SYSTEMS, INC.'S PROPOSED JURY INSTRUCTION NO. 43.
(Doctrine of Equivalents)[53]

Under the doctrine of equivalents, you may find that the accused product infringes a patented claim if Alcatel proves by a preponderance of the evidence that the accused product contains elements identical or equivalent to each claimed limitation of the patented invention. The focus is on individual limitations of the claim, not on the invention as a whole. To find infringement, you must find that there are no substantial differences between the patented product and the allegedly infringing product. In order to make a finding under the doctrine of equivalents, you may consider whether the elements of defendant's product perform substantially the same function in substantially the same way to produce substantially the same result when compared to the claimed limitations of plaintiff's patented claim.

Even if the accused system contains each limitation of the patented claim, there is no infringement under the doctrine of equivalents if the accused product is so changed in principle that it performs the same or similar function in a substantially different way than the claimed invention.

In making your determination, you should review the evidence from the perspective of a person of ordinary skill in the art. The test is objective, that is, whether, at the time of the claimed infringement, a person of ordinary skill in the art would have considered the differences insubstantial. On the issue of equivalence, you may consider evidence of whether persons skilled in the art considered the accused element and the claimed limitation interchangeable at the time of the alleged infringement. You should consider the context of the entire claim, including the drawings and written descriptions, patent application history, the prior art, and all of the circumstances of the case. Alcatel need not prove that Cisco had the intent to infringe Alcatel's

[53] Since Alcatel has not presented any evidence regarding infringement under the Doctrine of Equivalents, there is no need to provide a jury instruction on this issue. However, if a jury instruction were to be given, this is the proper instruction.

patent under the doctrine of equivalents or that it knew that its system infringed the patent.

If you find that Alcatel has failed to prove by a preponderance of the evidence that Cisco infringed any of the claims listed above, either literally or under the doctrine of equivalents, you must find for Cisco.

The patent law places certain limits on the doctrine of equivalents. One limit on the doctrine of equivalents is referred to the "recapture rule." A patent cannot recapture subject matter which it specifically disclaimed during prosecution of the patent. In other words, if the application told the patent office that a claim element meant or did not mean one thing, it cannot tell you the jury just the opposite (thereby recapturing the subject matter previously disclaimed).[54]

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UNITED STATES DISTRICT JUDGE

[54] SOURCE: Fifth Circuit Pattern Jury Instructions: Civil, § 9.1 (partial) (1999); Model Patent Jury Instructions, The Federal Circuit Bar Association; *Johnson & Johnston Assocs., Inc. v. R.E. Serv. Co., Inc.,* 285 F.3d 1046, 1054 (Fed. Cir. 2002).

CISCO SYSTEMS, INC.'S PROPOSED JURY INSTRUCTION NO. 44.
(Patent Unenforceability – Inequitable Conduct)

Cisco asserts that Alcatel cannot enforce the '959 patent because of its inequitable conduct. A patent applicant and his or her attorneys have a duty of candor and good faith in its dealing with the Patent Office and the examiner handling the application. This duty of candor is important because the patent examiner has only limited information available to determine the state of the art. The time available to the examiner is also limited. Therefore, to prevent an applicant from obtaining a patent it does not deserve, the Patent Office requires full disclosure to the Patent Office of all information which is material to examination of the application.

This means that anyone substantively involved with the patent application must not intentionally withhold or misrepresent material information concerning the claimed invention. A breach of this duty is called "inequitable conduct" and renders the patent unenforceable.

To prove inequitable conduct, Cisco must show, by clear and convincing evidence, that Alcatel (including the inventor, its attorneys or anyone else substantively involved with the patent application), with intent to mislead or deceive, withheld or misrepresented information that was material to the examiner's evaluation of the patent application.

Cisco contends that Alcatel committed inequitable conduct during the prosecution of the '959 patent by failing to disclose any information relating to the offer for sale of the MTS-28, the LCX-FTC, and the RDX-33 products prior to the critical date of March 2, 1991. Cisco also asserts that Alcatel committed inequitable conduct by intentionally withholding prior art from the patent examiner, specifically the Yoshida patent (U.S. Patent No. 4,872,003).[55]

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REFUSED _____

[55] SOURCE: Uniform Jury Instructions for Patent Case in the United States District Court for the District of Delaware, § 5.1 (1993) (modified).

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UNITED STATES DISTRICT JUDGE

CISCO SYSTEMS, INC.'S PROPOSED JURY INSTRUCTION NO. 45.
(Patent Unenforceability – Materiality of Inequitable Conduct)

In evaluating an allegation that Alcatel was guilty of inequitable conduct before the Patent Office, you must first determine whether there was any withholding or misrepresentation of information at all and, if so, whether the information withheld or misrepresented was indeed material. You cannot presume that the patent examiner knew about any prior art other than what is cited on the patent. Information that is withheld or misrepresented is material if it is not cumulative to information already of record or being made a record in the application, and

(1) it establishes by itself or in combination with other information a prima facie case of unpatentability of a claim, or

(2) it refutes, or is inconsistent with, a position the applicant takes in

(a) opposing any arguments of unpatentability relied on by the Patent Office, or

(b) asserting an argument of patentability.

Furthermore, concealment of information on products sold or offered for sale is particularly important because the patent examiner has no way of discovering this sales information on his or her own.

If you determine that there was a withholding or misrepresentation of information and that the information was material, then you must consider the element of intent. If, on the other hand, you find that Cisco has failed to prove by clear and convincing evidence that Alcatel (including the inventor, its attorneys or anyone else substantively involved with the patent

application) withheld or misrepresented any material information, then you must find that there was no inequitable conduct.[56]

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GIVEN AS MODIFIED _____

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UNITED STATES DISTRICT JUDGE

[56] SOURCE: Uniform Jury Instructions for Patent Case in the United States District Court for the District of Delaware, § 5.2 (1993) (modified); 37 C.F.R. § 1.56(b).

CISCO SYSTEMS, INC.'S PROPOSED JURY INSTRUCTION NO. 46.

(Patent Unenforceability – Intent Requirement for Inequitable Conduct)

Cisco must prove, by clear and convincing evidence, that Alcatel (including the inventor, its attorneys or anyone else substantively involved with the patent application) withheld or misrepresented material information with the intent to mislead or deceive the patent examiner. If the withholding or misrepresentation occurred through negligence, oversight, carelessness or an erroneous judgment, then there was no intent and no inequitable conduct.

Intent need not be proved directly because there is no way of scrutinizing the operations of the human mind. Therefore, you may infer intent from conduct or from acts substantially certain to accomplish a result, but you are not required to infer it. Any such inference depends upon the totality of the circumstances, including the nature and level of culpability of the conduct and the absence or presence of affirmative evidence of good faith. The concealment of sales information can be particularly egregious because, unlike the applicant's failure to disclose a material patent reference, the examiner has no way of securing the sales information on his own. An unexplained failure to disclose highly material information gives rise to an inference that the applicant intended to mislead the Patent Office.[57]

GIVEN _____

[57] SOURCE: Uniform Jury Instructions for Patent Case in the United States District Court for the District of Delaware, § 5.3 (1993) (modified)(citing Engel Industries. Inc. v. Lockformer Co., 946 F.2d 1258 (Fed. Cir. 1991); Kingsdown Medical Consultants, Ltd. V. Hollister, Inc., 863 F.2d 867 (Fed. Cir. 1988) (en banc), cert.denied, 490 U.S. 1067 (1989)). See also W.R. Grace v. Viskase Corp., 1991 WL 150188 * 3 (Where the evidence showed that Grace knew of potentially relevant prior art but did not disclose such prior art to the PTO, "Grace's unexplained failure to disclose the ... prior art to the PTO creates the requisite prima facie showing of intent. This is all that is necessary to invoke the crime/fraud exception of the attorney-client privilege"); LaBounty Manufacturing, Inc. v. U.S. International Trade Comm 'n., 958 F.2d 1066, 23 USPQ2d 1025 (Fed. Cir. 1992); Fox Indus. v.Structural Preservation Sys., 922 F.2d 801, 17 USPQ2d 1579 (Fed. Cir. 1990) (inequitable conduct based on inventor's failure to disclose its own advertising brochure).

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UNITED STATES DISTRICT JUDGE

CISCO SYSTEMS, INC.'S PROPOSED JURY INSTRUCTION NO. 47.

(Patent Unenforceability – Balancing for Inequitable Conduct)

You must determine whether the withheld information or misrepresentation satisfies a threshold level of materiality. You must also determine whether the conduct of anyone substantively involved with the patent application satisfies a threshold showing of intent to mislead. Assuming satisfaction of the thresholds, materiality and intent must be balanced.

The more material withheld or misrepresented information is, the less stringent is the requirement to prove intent by clear and convincing evidence. In other words, withholding or misrepresentation of a highly material piece of information requires a lower level of proven intent. You must be the judge of this balance.

If you find that Cisco has proven by clear and convincing evidence that there was a material withholding or a material misrepresentation of information and that Alcatel (including the inventor, its attorneys or anyone else substantively involved with the patent application) acted with intent to deceive the Examiner, then you must balance these two factors to determine whether in your view, there was inequitable conduct.[58]

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UNITED STATES DISTRICT JUDGE

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[58] SOURCE: Uniform Jury Instructions for Patent Case in the United States District Court for the District of Delaware, § 5.4 (1993) (modified)(citing *Halliburton Co. v. Schlumberger Technology Corp.*, 925 F.2d 1435, 1439 (Fed. Cir. 1991), *reh'g denied*, 1991 U.S. App. Lexis 4501 (Fed. Cir. 1991)).

CISCO SYSTEMS, INC.'S PROPOSED JURY INTERROGATORY NO. 18

	YES	NO
Has Cisco proven by clear and convincing evidence that Alcatel obtained the patent in suit by inequitable conduct?	☐	☐

Go to Instruction # 19.

GIVEN _____

REFUSED _____

GIVEN AS MODIFIED _____

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UNITED STATES DISTRICT JUDGE

CISCO SYSTEMS, INC.'S PROPOSED JURY INSTRUCTION NO. 48.

(Damages – General)

If you find that Alcatel's patent is valid and that Cisco has infringed any of the claims of Alcatel's patent, then you should consider the amount of any money Alcatel should receive as damages. Alcatel has the burden of proving by a preponderance of the evidence the amount of damages caused by Cisco's infringement. Even though I am instructing you on how you should measure damages, this should not be taken to mean that I believe that the patent is valid or that Cisco has infringed the patent. These are issues for you to resolve under the instructions I have given you. I am instructing you on damages only so that you will have guidance should you decide that the plaintiff is entitled to recover.[59]

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GIVEN AS MODIFIED _____

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UNITED STATES DISTRICT JUDGE

[59] SOURCE: Fifth Circuit Pattern Jury Instructions: Civil, § 9.7 (1999) (modified).

CISCO SYSTEMS, INC.'S PROPOSED JURY INSTRUCTION NO. 49.
(Reasonable Royalty)

Alcatel has not claimed lost profits resulting from Cisco's alleged patent infringement. Thus, if you find that there has been an infringement, Alcatel is entitled only to a reasonable royalty for the use Cisco made of the claimed invention.

A royalty is the amount of money a licensee pays to a patent owner for each article the licensee makes (or uses or sells) under the patent. A reasonable royalty is the amount of money a willing patent owner and a willing prospective licensee would have agreed upon at the time the infringement began for a license to make the invention. In making your determination of the amount of a reasonable royalty, it is important that you focus on the time period when the infringer first infringed the patent and the facts that existed at that time. Your determination does not depend on the actual willingness of the parties to this lawsuit to engage in such negotiations. Your focus should be on what the parties' expectations would have been had they entered negotiations for royalties at the time the infringing activity began. Cisco's actual profits may or may not bear on the reasonableness of an award based on a reasonable royalty.

In determining the reasonable royalty, you should consider all the facts known and available to the parties at the time the infringement began. Some of the factors that you may consider in making your determination are: (1) whether the patent holder had an established royalty for the invention; in the absence of such a licensing history, any royalty arrangements that were generally used and recognized in the particular industry at that time; (2) the nature of the commercial relationship between the patent owner and the licensee, such as whether they were competitors or whether their relationship was that of an inventor and a promoter; (3) the established profitability of the patented product, its commercial success and its popularity at the time; (4) whether the patent owner had an established policy of granting licenses or retaining the patented invention as its exclusive right, or whether the patent holder had a policy of granting licenses under special conditions designed to preserve his monopoly; (5) the size of the

anticipated market for the invention at the time the infringement began; (6) the duration of the patent and of the license, as well as the terms and scope of the license, such as whether it is exclusive or nonexclusive or subject to territorial restrictions; (7) the rates paid by the licensee for the use of other patents comparable to the plaintiff's patent; (8) whether the licensee's sales of the patented invention promote sales of its other products and whether the invention generates sales to the inventor of his nonpatented items; (9) the nature of the patented invention and the benefits to those who have used the invention; (10) the extent to which the infringer used the invention and any evidence probative of the value of that use; (11) the portion of the profits in the particular business that are customarily attributable to the use of the invention or analogous inventions; (12) the portion of the profits realized that should be credited to the invention as distinguished from nonpatented elements, the manufacturing process, business risks or significant features or improvements added by the infringer; (13) the opinion and testimony of qualified experts and of the patent holder; (14) any other factors which in your mind would have increased or decreased the royalty the infringer would have been willing to pay and the patent owner would have been willing to accept, acting as normally prudent business people.[60]

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UNITED STATES DISTRICT JUDGE

[60] SOURCE: Fifth Circuit Pattern Jury Instructions: Civil, § 9.8 (1999) (modified).

CISCO SYSTEMS, INC.'S PROPOSED JURY INSTRUCTION NO. 50.
(Date of Commencement)

Any damages that may be awarded to Alcatel may be measured only from the date that Cisco infringed and was notified of the '959 patent. Since Alcatel sold a product that included the claimed invention but did not mark that product with the patent number, you must determine the date that Cisco received actual knowledge of the '959 patent and actual knowledge of the specific product alleged to infringe that patent.[61]

GIVEN _____

REFUSED _____

GIVEN AS MODIFIED _____

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UNITED STATES DISTRICT JUDGE

[61] Model Pattern Jury Instructions for the Northern District of California, § B.3 (2002) (modified) (citing *Crystal Semiconductor Corp. v. Tritech Microelectronics Int'l, Inc.*, 246 F.3d 1336 (Fed. Cir. 2001); *Nike Inc. v. Wal-Mart Stores*, 138 F.3d 1437, 1443-44 (Fed. Cir. 1998); *Maxwell v. Baker, Inc.*, 86 F.3d 1098, 1108-09 (Fed. Cir. 1996); *American Med. Sys. v. Medical Eng. Corp.*, 6 F.3d 1523, 1534 (Fed. Cir. 1993); *Devices for Med., Inc. v. Boehl*, 822 F.2d 1062, 1066 (Fed. Cir. 1987)).

CISCO SYSTEMS, INC.'S PROPOSED JURY INSTRUCTION NO. 51.

(Damages May Not Be Punitive or Speculative)

If you find that there has been an infringement, you must not award Alcatel more damages than are adequate to compensate for the infringement. Nor may you include damages that are speculative, damages that are only possible, or damages that are based on guesswork. Nor shall you include any additional amount for the purpose of punishing Cisco or setting an example. You must not consider Alcatel's allegations of willfulness in considering damages or take into account any evidence relating to those allegations. Consideration of willfulness is entirely separate from the question of damages. You may not increase damages because you find willfulness or decrease damages because you did not find willfulness.[62]

GIVEN _____

REFUSED _____

GIVEN AS MODIFIED _____

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UNITED STATES DISTRICT JUDGE

[62] SOURCE: Fifth Circuit Pattern Jury Instructions: Civil, § 9.8 (1999) (modified).

CISCO SYSTEMS, INC.'S PROPOSED JURY INTERROGATORY NO. 19

	YES	NO
Has Alcatel proven the amount of damages caused by Cisco's infringement of the patent in suit?	☐	☐

If you answer "YES," you should answer the following question, and then go to Instruction #23.

If you answer "NO," then you are done.

What is the total amount of damages suffered by Alcatel from Cisco's infringement of the patent in suit? _____

GIVEN _____

REFUSED _____

GIVEN AS MODIFIED _____

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UNITED STATES DISTRICT JUDGE

CISCO SYSTEMS, INC.'S PROPOSED JURY INSTRUCTION NO. 52.
(Willful Infringement)

Alcatel claims that Cisco infringed its patent willfully. Although you must determine whether Cisco's infringement was willful, this determination will not affect the amount of damages, if any, that you assess. The purpose of your determination is to assist the Court in making decisions that it will have to make.

Alcatel must prove willfulness by clear and convincing evidence. That is, Alcatel must persuade you that it is highly probable that Cisco willfully infringed. This is a higher degree of persuasion than is necessary to meet the preponderance of the evidence standard applicable to the infringement claim.

Alcatel proves willful infringement if it shows by clear and convincing evidence that Cisco (1) was aware of plaintiff's patent and (2) had no reasonable basis for reaching a good faith conclusion that its making, using or selling its system avoided infringing the patent. Alcatel may also prove willful infringement by proving that Cisco did not exercise due care to determine whether or not it was infringing plaintiff's patent once the defendant had actual notice of Alcatel's patent. Infringement is not willful and deliberate if Cisco had a reasonable basis for believing that the patent is invalid or not infringed.

One factor in determining whether Alcatel has proved willful infringement is whether Cisco deliberately copied plaintiff's product, which is evidence of willfulness. However, if Cisco tried to design around Alcatel's product by making specific changes to its product to avoid infringement, this suggests a lack of willfulness, even if Cisco was not successful.

In considering whether the defendant's infringement was willful, you should consider all of the circumstances and all of the evidence demonstrating Cisco's intentions. No single factor alone requires a finding of willful or nonwillful infringement.[63]

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[63] SOURCE: Fifth Circuit Pattern Jury Instructions: Civil, § 9.10 (1999) (modified).

GIVEN _____

REFUSED _____

GIVEN AS MODIFIED _____

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UNITED STATES DISTRICT JUDGE

CISCO SYSTEMS, INC.'S PROPOSED JURY INTERROGATORY NO. 20

	YES	NO
Has Alcatel proven by clear and convincing evidence that Cisco's infringement of the patent in suit was done willfully?	☐	☐

GIVEN _____

REFUSED _____

GIVEN AS MODIFIED _____

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UNITED STATES DISTRICT JUDGE

SECTION XI

DAMAGES

CISCO SYSTEMS, INC.'S PROPOSED JURY INSTRUCTION NO. 53.
(Consider Damages Only If Necessary)

If Alcatel has proven its claim(s) against Cisco by a preponderance of the evidence, you must determine the damages to which Alcatel may be entitled. You should not interpret the fact that I have given instructions about Alcatel's damages as an indication in any way that I believe that Alcatel should, or should not, win this case. It is your task first to decide whether the defendant is liable. I am instructing you on damages only so that you will have guidance in the event you decide that Cisco is liable and that Alcatel is entitled to recover money from Cisco

GIVEN _____

REFUSED _____

GIVEN AS MODIFIED _____

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UNITED STATES DISTRICT JUDGE

CISCO SYSTEMS, INC.'S PROPOSED JURY INSTRUCTION NO. 54.
(Compensatory Damages)

If you find that Cisco is liable to Alcatel, then you must determine an amount that is fair compensation for all of Alcatel's damages. These damages are called compensatory damages. The purpose of compensatory damages is to make the plaintiff whole--that is, to compensate the plaintiff for the damage that the plaintiff has suffered.

You may award compensatory damages only for injuries that Alcatel proves were proximately caused by Cisco's allegedly wrongful conduct. The damages that you award must be fair compensation for all of the plaintiff's damages, no more and no less. Damages are not allowed as a punishment and cannot be imposed or increased to penalize the defendant. You should not award compensatory damages for speculative injuries, but only for those injuries which Alcatel has actually suffered.

If you decide to award compensatory damages, you should be guided by dispassionate common sense. Computing damages may be difficult, but you must not let that difficulty lead you to engage in arbitrary guesswork. On the other hand, the law does not require that the plaintiff prove the amount of its losses with mathematical precision, but only with as much definiteness and accuracy as the circumstances permit.

You must use sound discretion in fixing an award of damages, drawing reasonable inferences where you find them appropriate from the facts and circumstances in evidence.

GIVEN _____

REFUSED _____

GIVEN AS MODIFIED _____

UNITED STATES DISTRICT JUDGE

SECTION XI

CISCO'S AFFIRMATIVE DEFENSES

CISCO SYSTEMS, INC.'S PROPOSED JURY INSTRUCTION NO. 55.
(Equitable and Quasi Estoppel)

Estoppel is an affirmative defense. Estoppel generally prevents a party from maintaining a position inconsistent with one previously taken, when the inconsistency harms another party. There are various types of estoppel. Cisco asserts two estoppel defenses: equitable estoppel and quasi-estoppel.

To establish the affirmative defense of equitable estoppel, Cisco must demonstrate that Alcatel, by words or conduct, (1) made a false representation or concealed material facts, (2) with knowledge of the true facts or with knowledge or information that would lead a reasonable person to discover the true facts, and (3) with the intention that Cisco would rely on the false representation or concealment in contemplating its own actions. Cisco must also show that (4) it did not have knowledge of the true facts (or means to acquire such knowledge), and (5) Cisco relied, to its detriment, on the false presentation or concealment of material facts by Alcatel.[64]

The defense of quasi-estoppel is established by showing Alcatel's assertion of a right inconsistent with a position previously taken, which caused a disadvantage to Cisco. The defense applies when it would be unconscionable to allow Alcatel to maintain a position inconsistent with one to which it acquiesced, or from which it accepted a benefit.[65] For this defense, Cisco need not demonstrate that Alcatel made false representations or concealed material facts. Likewise, Cisco need not show reliance on the representation, assertion, or omission of Alcatel.[66]

GIVEN _____

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[64] PJC No. 101.25

[65] *Atkinson Gas Co. v. Albrecht,* 878 S. W. 2d. 236, 240 (Tex. App.- Corpus Christi 1994).

[66] *Bristol-Meyer Squibb Co. v. Barner,* 964 S.W. 2d 299, 302 (Tex. App.- Corpus Christi 1998).

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GIVEN AS MODIFIED _____

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UNITED STATES DISTRICT JUDGE

CISCO SYSTEMS, INC.'S PROPOSED JURY INSTRUCTION NO. 56.
(Standing)

Standing means that a party has a sufficient stake in a controversy to obtain judicial resolution of that controversy. The requirement of "standing" is satisfied if the plaintiff has a protected and tangible interest at stake in the litigation.[67] Lack of standing serves as an affirmative defense to claims. A party who does not own a copyright, patent, or trade secret, or hold a license for use of the intellectual property or trade secret, does not have standing to claim infringement or misappropriation of the copyright,[68] patent,[69] or trade secret.[70]

GIVEN _____

REFUSED _____

GIVEN AS MODIFIED _____

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UNITED STATES DISTRICT JUDGE

[67] *Sierra Club v. Morton,* 405 U.S. 727 (1972).

[68] *See* 17 U.S.C. Section 501; *MacLean Associates Inc. v. WM. M. Mercer-Medidinger-Hansen, Inc.,* 952 F. 2d. 769, 778 (3rd Cir. 1991).

[69] *Rite-Hite Corp. v. Kelley Co.,* 56 F. 3d. 1538, 1551 (Fed. Cir.) (*en banc*), *cert. denied,* 516 U.S. 867 (1995)

[70] *Tubos De Acero De Mex., SA v. Am. Int'l Inv. Corp.*, 292 F.3d 471 (5th Cir. 2002).

CISCO SYSTEMS, INC.'S PROPOSED JURY INSTRUCTION NO. 57.
(Waiver)

Waiver is an affirmative defense. Waiver is an intentional surrender of a known right or intentional conduct inconsistent with claiming the right.[71]

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REFUSED _____

GIVEN AS MODIFIED _____

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UNITED STATES DISTRICT JUDGE

[71] PJC No. 101.24

CISCO SYSTEMS, INC.'S PROPOSED JURY INSTRUCTION NO. 58.
(Laches)

Laches is an inexcusable delay that results in prejudice to the defendant. Laches is an affirmative defense. A defense of laches has three elements: (1) delay in asserting a right or claim; (2) that the delay was inexcusable; and (3) that undue prejudice resulted from the delay. The period for laches begins when the plaintiff knew or should have known of the alleged harm.[72]

GIVEN _____

REFUSED _____

GIVEN AS MODIFIED _____

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UNITED STATES DISTRICT JUDGE

[72] *Elvis Presley Enterprises, Inc. v. Capece,* 141 F. 3d. 188, 205 (5th Cir. 1998).

CISCO SYSTEMS, INC.'S PROPOSED JURY INSTRUCTION NO. 59.
(Unclean Hands)

The defense of unclean hands provides that a party must have acted fairly and justly in its dealings with another in order to assert a claim against that party. A party is said to possess "unclean hands" if it is guilty of conduct involving fraud or bad faith. If you find that either party acted in a fraudulent, underhanded, unfair, or unjust manner then you may conclude that party had "unclean hands."[73]

GIVEN _____

REFUSED _____

GIVEN AS MODIFIED _____

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UNITED STATES DISTRICT JUDGE

[73] *Alcatel USA, Inc. v. DGI tech., Inc.*, 166 F. 3d. 772, 796 (5th Cir. 1999).

CISCO SYSTEMS, INC.'S PROPOSED JURY INSTRUCTION NO. 60.
(Fair Competition / Justification)

A party who engages in business with the primary aim of making profits is not liable for business losses suffered by a competitor. Justification is an affirmative defense to a claim of tortuous interference with existing contracts.[74] A party is privileged to interfere with another's contract if (1) it is done in a bona fide exercise of his own rights, or (2) he has an equal or superior right in the subject matter to that of the other party.[75]

GIVEN _____

REFUSED _____

GIVEN AS MODIFIED _____

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UNITED STATES DISTRICT JUDGE

[74] PJC No. 106.3; *DBI Services, Inc. v. Amerada Hess Corp.*, 907 F.2d 506, 508 (5th Cir. 1990).

[75] *Sterner v. Marathon Oil Co.*, 767 S. W. 2d. 686, 691 (Tex. 1989).

CISCO SYSTEMS, INC.'S PROPOSED JURY INSTRUCTION NO. 61.
(Proportionate Responsibility)

For each cause of action asserted, you must determine the percentage of responsibility of each party found to have caused harm or contributed to the cause of injury for which damages are sought, whether by negligent act or omission or any other conduct or activity that violates an applicable legal standard.[76]

You should assign percentages to the party or parties you find to cause damages. The percentages you find must total 100 percent. The percentages must be expressed in whole numbers. The responsibility attributable to any party named below is not necessarily measured by the number of acts or omissions found.[77]

For each party found by you to have caused damages under _____'s cause of action, find the percentage caused by:

1. Alcatel USA, Inc. _____%

2. Cisco Systems, Inc. _____%

GIVEN _____

REFUSED _____

GIVEN AS MODIFIED _____

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UNITED STATES DISTRICT JUDGE

[76] Tex. Civ. Prac. & Remedy Code Ann. Section 33.003.

[77] PJC No. 110.32

CISCO SYSTEMS, INC.'S PROPOSED JURY INSTRUCTION NO. 62.
(License)

A party who holds a license (or authorization) to use software programs (and derivatives of software programs) cannot be found liable for copyright infringement[78] or trade secret misappropriation.[79] A license (or authorization) for use may be written, given orally, or implied from conduct.[80]

GIVEN _____

REFUSED _____

GIVEN AS MODIFIED _____

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UNITED STATES DISTRICT JUDGE

[78] *Nelson-Salabes, Inc. v. Morningside Dev., LLC,* 284 F. 3d. 505, 514 (4th Cir. 2002); *Johnson v. Tuff-n-Rumble Mgmt., Inc.,*2000 U. S. Dist. LEXIS 18299 at *13 (E.D. La. December 8, 2000).

[79] *Metallurgical Industries, Inc. v. Fourtek, Inc.,* 790 F. 2d. 1195, 1205 (5th Cir. 1986).

[80] *I.A.E., Inc. v. Shaver,* 74 F. 3d. 768, 775 (7th Cir. 1996).

CISCO SYSTEMS, INC.'S PROPOSED JURY INSTRUCTION NO. 63.
(Excessive Penalties and Due Process)

The United States Constitution limits excessive fines and penalties. Before awarding exemplary damages, you must find, by clear and convincing evidence, that the harm to a party resulted from malice or fraud. "Clear and convincing evidence" means the measure or degree of proof that produces a firm belief or conviction of the truth of the allegations sought to be established. Malice means:

(a) A specific intent by one party to cause substantial injury to another; or

(b) An act or omission by a party

(1) which, when viewed objectively from the standpoint of the other party at the time of its occurrence, involved an extreme degree of risk, considering the probability and magnitude of the potential harm to others; and

(2) of which the party had actual, subjective awareness of the risk involved, but nevertheless proceeded with conscious indifference to the rights, safety, and welfare of others.[81]

GIVEN _____

REFUSED _____

GIVEN AS MODIFIED _____

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UNITED STATES DISTRICT JUDGE

[81] PJC No. 110.33

CISCO SYSTEMS, INC.'S PROPOSED JURY INSTRUCTION NO. 64.
(Bona Fide Purchaser)

A party establishes the defense of bona fide purchaser by demonstrating (1) the payment of valuable consideration, (2) absence of notice of material facts, (3) an inability, using due care, to discover material facts, and (4) good faith.[82]

GIVEN _____

REFUSED _____

GIVEN AS MODIFIED _____

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UNITED STATES DISTRICT JUDGE

[82] SOURCE: Colvin v. Alta Mesa Resources, Inc., 920 S.W.2d 688, 691 (1996), citing Strong v. Strong, 98 S.W.2d 346, 347 (Tex. 1936); Westlund Oil Development Corp. v. Gulf Oil Corp., 637 S.W.2d 903, 908 (Tex. 1982).

SECTION IV

CONCLUDING INSTRUCTIONS

CISCO SYSTEMS, INC.'S PROPOSED JURY INSTRUCTION NO. 65.
(Concluding Instruction)

When you retire to the jury room to deliberate on your verdict, you may take this charge with you as well as exhibits which the Court has admitted into evidence. Select your Foreperson and conduct your deliberations. If you recess during your deliberations, follow all of the instructions that the Court has given you about/on your conduct during the trial. After you have reached your unanimous verdict, your Foreperson is to fill in on the form your answers to the questions. Do not reveal your answers until such time as you are discharged, unless otherwise directed by me. You must never disclose to anyone, not even to me, your numerical division on any question.

If you want to communicate with me at any time, please give a written message or question to the bailiff, who will bring it to me. I will then respond as promptly as possible either in writing or by having you brought into the courtroom so that I can address you orally. I will always first disclose to the attorneys your question and my response before I answer your question.

As soon as you have reached a verdict, you will let this fact be known to the officer who will be waiting for you and he will report to the Court. After you have reached a verdict, you are not required to talk with anyone about the case unless the Court orders otherwise. You may now retire to the jury room to conduct your deliberations.[83]

GIVEN _____

REFUSED _____

GIVEN AS MODIFIED _____

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UNITED STATES DISTRICT JUDGE

[83] SOURCE: Fifth Circuit Pattern Jury Instructions: Civil, § 3.1 (modified).

DATED: July 12, 2002

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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing document, Cisco Systems, Inc.'s Proposed Jury Instructions and Interrogatories, was served on counsel of record via facsimile and first class mail, on this 12th day of July 2002, addressed to the following:

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